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INDEX.

PAGE

AACHEN AND MUNICH Elected to Membership in the South Eastern Underwriters' Association 40, 174
Abbott, James E., Candidate for Insurance Commissioner of Wisconsin 19, 104
Abraham & Straus Warehouse Loss.....5, 170
Accident and Health Claims, Trivial, The *Industrial Review* on..... 343
Accident and Health Policies, Proposed Standard Provisions for..... 376
Accidents in Coal Mines, Statistics of..... 220
Accident Insurance, Competition in..... 32
Accident Insurance, Modern Surgery in Relation to 239
Accident Insurance of Employees Proposed in Wisconsin 309
Accident Insurance, The Lawyer in, Lyman A. Spalding on..... 29
Accident Policy Slot Machines 452
Acident Risks Without Claim Records 328
Accidents and Agents, Relation of 174
Accidents, Curious Facts Concerning..... 311
Accidents, Industrial, in Wisconsin..... 251
Accidents, Insurance Against, Industrial, New Plan of 452
Accidents, Insurance of University Students Against 452
Acidents, Railroad 207
Accidents, Relation of Fatigue to 362
Accident Statistics in 1907..... 8
Accidents, Street Car, in New York City, 276, 377
Accidents to Airships 61
Accidents, Unusual 7, 21, 43 60, 74, 90, 106, 120, 149, 175, 191, 207, 219, 236, 250, 275, 290, 311, 327, 342, 360, 375, 391, 415, 432, 451
Actuarial Society of America, Examinations by 387
Actuarial Society of America, Meetings of, 271, 288
Actuary of Insurance Department Not an Employee; Colorado Decision..... 355
Addresses at Insurance Conventions Too Long 305
Adirondacks Forest Fires and Losses 230
Adjusters, Legislation to Regulate, in Louisiana 37
Advertising Bill Against Guarantors' Liability Company Realizes Six Cents..... 213
Aetna Accident and Liability Burglary Business 107, 208
Aetna Accident and Liability, New Liability Policy 344
Aetna Indemnity of Hartford, 9, 45, 77, 107, 150
Aetna Indemnity of Hartford and Revocation of Tennessee License 45
Aetna Indemnity of Hartford Capital Reduced 313
Aetna Indemnity of Hartford Enters Accident and Health Field 10
Aetna Indemnity of Hartford, Examination by New York and Connecticut Insurance Departments 24, 106
Aetna Life of Hartford Combination Life and Accident Policy 43
Aetna Life of Hartford Seven Year Convertible Term Policy Described..... 203
Aetna Life of Hartford, Unlimited Health Policy of 276, 312
Agar, Henry F., Life Insurance Policies 447
Agents' Commissions Under Section 97 of Armstrong Law, No Retroactive Limitation of 410
Agents, Industrial Life, to Form a Trades Union 201
Agent's Power to Bind Company..... 339
Agent Stealing Abolished in Industrial Accident Field 176
Agency, Sole, Movement in Kansas City Defeated 233
Alabama Law Penalizing Companies for Contesting Losses to Be Tested in Courts.... 328
Alabama Taxation of Insurance 59, 224
Albany, N. Y., Fire Hazard of 427
Alexander, H. B., Annual Address at Accident Convention 25
Allegheny Fire of Pittsburgh, Withdrawal from New York State 42

PAGE

Allegheny Mutual Life of Pittsburgh Chartered 324
Allegheny National Bank of Pittsburgh and the Sureties for State Deposits.....107, 361
Alliance Fire of Austin, Minn.....40, 57
Alliance of Philadelphia, New Automobile Policy of 173
Alliance Life of Chicago, Receivership Proceedings 173
American Accident of Lincoln, Neb., Refused Minnesota License 90
American Association of Mutual Insurance Companies, Annual Convention at Des Moines, Ia. 59
American Assurance of Philadelphia..... 10, 24, 240, 252
American Anti-Accident Association Organized 62
American Bonding of Baltimore 62, 150
American Central Life of St. Louis, Election of a Vice President..... 342
American Fidelity of Montpelier, Appointment of a Secretary 206
American Fire Insurance Business, A British View of 314
American Fire of Philadelphia Sued by Policyholders' Adjustment Company..... 58
American Guarantee Company of Chicago.... 45
American Home Fire of Greenville, S. C., Organized 431
American Home Life of Washington, D. C., Suit for Dissolution of 56
American Institute of Electrical Engineers, Annual Convention 7
American Life Convention, Annual Meeting of 118, 137, 146
American Life Insurance Company of Illinois, New Name for Reorganized American Life Association of Chicago 129
American Mutual Life of Philadelphia 129
American of Newark, Election of a Secretary 431
American Surety of New York....24, 39, 61, 92, 221, 253, 275
American Surety of New York, Action of the South Carolina Insurance Commissioner Against 375
American Surety of New York and Suit Against Indiana Insurance Department.. 77
American Surety of New York and South Carolina License Revocation..... 251
American Underwriters Fire of Monroe County, N. Y..... 449
American Union Fire of Philadelphia 359
Ampersand Hotel Company Loss and Suits Against Fire Insurance Companies....41, 56
Analytic Rating System Considered by the Western Union 449
Anchor Casualty of Milwaukee, Election of Officers 92
Ancient Order of United Workmen 234
Anderson, William A., Retirement as Superintendent of the New York Board..358, 430
Annuity Rates for Women 431
Anti-Trust Legislation in Oklahoma 17, 57
Anti-Trust Suits in Illinois 272
Arkansas Ouster Suits Against Fire Insurance Companies for Combining on Commissions 322, 447
Arkansas Supreme Court Upholds Wingo Act 271
Armour Company Fidelity Bonds..... 291
Armour Elevator Fire Loss 171, 203
Armstrong, Robert B., Pleads for Simplicity in Accident Contracts 31
Armstrong, Robert B., His Criticisms of International Association of Accident Underwriters 130
Armstrong, Robert B., Resignation from the Philadelphia Casualty 236
Arson Cases 272
Association of Life Insurance Presidents, Meetings of 11, 265
Association of Life Insurance Presidents, Official Changes 286
Association of Life Insurance Presidents, Proceedings of Annual Meeting....394, 402, 418
Association of Life Insurance Presidents, Robert L. Cox Elected Manager of..... 246
Associated Fraternities of America, Annual Meeting 189

PAGE

Atlantic and Gulf Fire of Columbia, S. C... 414
Atlantic Casualty of Philadelphia Sued by Former General Manager 22
Atlantic Fire of Raleigh Readmitted to South Eastern Underwriters' Association..... 413
Atlas of London, Centenary Banquet..... 46
Atlas Reminiscent 90
Austrian Phœnix Settlement of San Francisco Losses 234
Automobile Accidents in the United States.. 92
Automobile Owner's Liability for Chauffeur's Negligence 60
Automobile Floater Rates 310
Automobile Garage Liability Policy Issued by the Travelers 61
Automobile Garages, Boston Rates on..... 416
Automobile Hazard, W. D. M. Hooper on.. 28
Automobile Insurance.....342, 376
Automobile Race Damage Suit 276

BAIL Bond Requirements and Surety Bonds 92, 162
Bank Burglary Insurance Policy Discussed.. 391
Bank Burglary Insurance Rates.....312, 313
Bank Burglary Policies, "Hold Up Extension" Rider 176, 253
Bank Burglary Statistics..... 312
Bank Deposit Guarantee Law in Oklahoma.. 107
Bank Depositors Insurance Company of Washington, D. C., Excluded from the Mails. 362
Bank Deposits, Insurance of, Discussed.69, 125, 337
Bank Deposits, Insurance of, Declaration by the American Bankers' Association..... 231
Bank Savings National Life of Topeka, Chartered 325
Bankers' Endowment Association of Chicago, Application for Receiver for..... 234
Bankers' Fire of Los Angeles, Incorporation of 104
Bankers' Reserve Fund Life of Cincinnati... 324
Bankers' Reserve Life of Omaha, Financial Statement 189
Bankers Surety of Cleveland, Report of Examination of 222
Bankers' Union of Illinois, Receiver Asked for 234
Banks, National, Not to Avail Themselves of Deposit Guarantee Law..... 131
Barnes, J. N., Conviction for Larceny..... 21
Barnum, Raynolds, on Individualism..... 259
Barry, James V., Address Before the Board of Casualty and Surety Underwriters..... 294
Baseball Players' Accident Policy..... 291
Baseball Player Becomes Life Insurance Agent 273
Batchelder, George H., on Evolution in Fire Underwriting 262
Beardsley, E. W., at Annual Meeting of Underwriters' Association of the Northwest.. 258
Beddall, Edward K., Retirement from Hall & Henshaw 105, 173
Beedle, Commissioner of Wisconsin, Candidate for Renomination 187
Behse, H. H., Joins United States Health and Accident of Saginaw.....62, 77
Belcher, Samuel E., Death of..... 129
Belden, John S., Death of..... 57
Berkshire Life, Appointment of Illonois Managers 358
Berkshire Life, Election of Vice-President... 323
Best's Life Insurance Reports Issued..... 288
Burnett, L. A., His Election to Presidency of Monongahela of Pittsburgh 272
Bland, President, Statement of Differences Between the United States Fidelity and Guaranty and the Colorado Insurance Department 213, 215
Bloomington, Ill., Fire Insurance Rates..... 217
Blue Goose, Order of, Meetings of..... 219, 287, 428, 432
Board of Casualty and Surety Underwriters and Standard Accident and Health Forms. 174
Board of Casualty and Surety Underwriters, Annual Meeting 76, 252, 277, 293
Boiler Insurance Rates 331
Boiler, Low Pressure, Has Elements of Danger 276
Bonds, Franchise, Hazardous Nature of..... 239
Bonds of Counter Indemnity Explained..... 23

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PAGE

Bonds of Steamship Agents..... 452
Bonds, United States Treasury Forms....44, 433
Bonynge, A. N., Joins American Bonding of Baltimore 74
Boone, E. P., Abraham & Straus Warehouse Loss 5
Boston & Albany Railroad Pier Fire..... 20
Boston High Pressure Salt Water System..... 88
Boston Life Underwriters' Association, Autumn Meeting 359
Boston Board of Fire Underwriters..... 308, 324, 338, 372
Boswell Case Defining Section 97 of Armstrong Law 410, 428
Bowen, Levi W., Elected President of Standard Accident of Detroit 74
Brandley, Garrett H., Death of..... 42
Brinkerhoff, John J., Appointed Actuary of the Association of Life Insurance Presidents 285, 286, 349
British American of New York, Retirement from Business 427
British Fire Insurance Business of 1907-08, Reviewed 195
British Marine Insurance Companies' Business in 1907 90
Brockton, Mass., Fire Hazard..... 39
Brokers' Commissions, Action of the New York Fire Insurance Exchange..... 339
Brokers' Commissions in New York City..... 248
Browers' Insurance, Comments on..... 330
Brooklyn Fire Insurance Premiums..... 148
Brown, Garrett, His Book of Fairy Tales.... 187
Brown, Garrett, on the Burning Line..... 47
Brown, G. H., Joins Philadelphia Casualty.... 60
Bryan, William J., Declaration for Insurance by the State 201
Bryan, William J., His Election Chances Insured in London Lloyds..... 69
Bryan, William J., His Views on Curbing Corporations 41
Buffalo Life Underwriters' Association 375
Buildings, High, in New York City, Report on. 202
Bullitt, Alexander A., Death of..... 60
Burglary Insurance and Coinsurance Clause.. 75
Burglaries, Masked, Relation to Time Locks.. 192
Burglary Underwriters' Association..... 23, 93, 107, 313, 344, 377
Burnham, Frederick A., Death of..... 446
"Burning Building" Clause in Accident Policy Interpreted 149
Butler, Joseph A., Joins Pacific Mutual Life of Los Angeles 42
Byland, John C., General Agent..... 414

CALIFORNIA Insurance Commissionership. 428
California Insurance Company of San Francisco 6, 128, 234, 274
California Insurance Department Controversy with the Nebraska Insurance Department. 204
California Insurance Legislation Projected... 354
California Life of Los Angeles Organized.... 414
Calumet Fire of Chicago, Election of Officers. 414
Canada Life Underwriters' Association, Annual Meeting 216
Canadian Fire Insurance Company Projected in San Francisco 309
Car Barn Fire of the New York City Railway Company, Insurances 216
Car Safety Devices 237
Case, Charles L., Presented with Gold Watch. 106
Casualty Companies' Premium Collection Agreement 204, 221, 277
Casualty Company of America, Opening of Branch Offices 209, 221
Casualty Company of America, Examination by New York Insurance Department..... 9
Casualty Insurance Social Club of New York Organized 362, 376, 392, 432
Capital and Labor, Their Mutual Relations... 103
Capitol Insurance Company of the United States 104
Capitol Life of Washington, D. C., Receivership 56, 175, 410
Celluloid, Fire Hazard of, Charles L. Purdin on 420
Central Life Securities of Chicago..6, 57, 87, 206
Century of Edinburgh to Write Surplus Lines in the United States..... 359
Chamber of Commerce of New York, Commission on Life Insurance Legislation..... 386, 409, 420
Chanler, Lieut.-Governor, on Life Insurance Legislation 285
Charleston, S. C., Report on Fire Hazard of. 173, 201, 372, 418
Chelsea, Mass., Another Large Fire in..... 218
Chelsea, Mass., Conflagration.....103, 249
Chelsea, Mass., Report by the Underwriters' Bureau of New England on..... 356
Cherriman, J. B., Death of..... 21
Chess Game Played by Wireless..... 62
Chicago Board of Underwriters, Amendment to Constitution of..... 389
Chicago Board of Underwriters and Offending Members 324
Chicago Board of Underwriters and Warning on Storage of Fireworks..... 6
Chicago Board of Underwriters, Memorial Meeting 273

PAGE

Chicago High Pressure Water System..... 309
Chicago Surety Underwriters' Association.... 433
Child Insurance Discussed 53
Cincinnati Life to Begin Business..... 310
Cincinnati New Building Code..... 324
City Trust, Safe Deposit and Surety Co., Receiver's Dividend 62
Clarke, L. H., Elected Assistant Treasurer of the United States Casualty..... 106
Clark, William H., Death of..... 43
Cleveland Board of Surety Underwriters Organized 221
Cleveland, Grover, Memorial Ceremonies by Life Underwriters 394
Cleveland, Grover, Memorial Tributes to..... 11
Coddington, Abram, Death of..... 90
Co-Insurance Clause and the Republic Rubber Company Loss 217
Coinsurance Clause in Burglary Policies..... 75
Colonial Accident and Casualty of Philadelphia Organizing 193
Colonial Fire of Onondaga, N. Y., Receivership 273
Colonial Life of St. Louis Organized..... 289
Collinwood, O., Disaster and Life Insurance Policies 59
Colorado Insurance Department and the United States Fidelity and Guaranty, Statement of Differences Between 213, 225
Colorado Insurance Department Actuary, Not an Employee 355
Columbia Guarantee Company of New York Proposed 238
Columbia Life and Trust of Portland, Ore.... 42, 59
Columbia Life of Cincinnati Triple Protection Policy 324
Columbia Life of Cincinnati, Its Illinois License Revoked 173
Columbian National Life of Boston....20, 22, 150
Columbian National Life of Boston Agency Conference 234
Columbian National Life of Boston, Progress of 339
Columbia, S. C., Fire Insurance Tax..... 341
Columbus Casualty of Columbus, O., Organization of 24, 131
Columbus, O., Board of Surety Underwriters, Organized 362
Commerce Trust Company of Kansas City Entering the Surety Field..... 329
Commercial Accident of Philadelphia..... 277
Commercial Fire of Arkansas, Failure of..... 325
Commercial Underwriters of San Antonio, Texas 19, 57
Commercial Union and Palatine, Connecticut Agents' Meeting 57
Commercial Union of London.....5, 6, 57
Commercial Union of London, Admitted to California 218
Commercial Union of London, Purchase of Montreal Building 374
Commercial Travelers' League of Indianapolis, Organization of 131
Commissions, Combination of Companies in Arkansas on, and Ouster Suits Against.. 322
Commissions, Fire Insurance, Agitation in the South for an Increase.....1, 4, 17, 38, 55, 56, 85, 96, 111, 147, 189, 194, 247, 373, 415
Commissions, Fire Insurance, Readjustment of, Discussed 85
Commissions, New York Life Agents', Under Section 97, Armstrong Law, No Retroactive Limitation 410
Commissions, Rule Adopted by the Western Union 232
Commonwealth Casualty of Philadelphia, Climax Coupon Policy 312
Commonwealth Casualty of Philadelphia 93
Competition in Life Insurance Soliciting Discussed 217
Concordia Fire of Milwaukee, Election of a Vice-President 360
Conflagration Hazard in New York City Discussed 1
Connecticut Association of Life Insurance Agents, Annual Meeting..... 371
Connecticut Fire, Reinsurance of the Alliance Fire of Austin, Minn.....40, 57
Connecticut Fire and the Tennessee Insurance Department 309, 323
Connecticut Fire Prevention Association..... 448
Connecticut General Life of Hartford, Its Eighteen Payment Life Policy..... 4
Connecticut General Life of Hartford, Ten Year Term Policy 128
Consolidated Casualty of Parkersburg, W. Va., Organized 62
Consolidated Casualty of Minneapolis, Reinsured 344
Consolidated Casualty of Philadelphia Organized 107, 129, 221, 236, 291
Continental Casualty of Chicago.....150, 344
Cooper of Dayton, Increase of Capital....390, 450
Corporations, Reaction from Extreme Hostility to, in Georgia..... 53
Cosmopolitan Fire, Reinsurance of Its Business 449
Co-Sureties on Joint and Several Bonds Discussed 362
Cotton Binder Policy Form, New..... 204

PAGE

Cotton Insurance Association..... 73
Cotton Seed Oil Plants, Hazards of..... 330
Covington and Newport, Ky., Rating Systems. 205
Cox, Robert Lynn, Address on Life Insurance Taxation 395
Cox, Robert Lynn, Manager of the Association of Life Insurance Presidents.....246, 285
Cox, Robert Lynn, on the Robertson Investment Law of Texas..... 265
Creamer, D. S., Ex-Fire Marshal of Ohio..... 360
Credit Insurance Companies, Business of..... 238
Criminal Surety Bonds Accepted in Massachusetts 236
Crooper, J. D., Death of..... 414
Cutting, Frederick Lord, an Appreciation of., 87
Cutting, Frederick Lord, Memorial Resolutions of Insurance Commissioners on..... 162

DANA, WALTER J., Boston, Death of.... 432
Daniel, Lewis F., Address at Annual Meeting of Fire Underwriters' Association of the Northwest 258
Dark, Charles E., Death of 129
Dean Schedule in Chicago 288
Dearden, Robert R., Re-elected to the Pennsylvania Legislature 326
Delaware Insurance Commissionership..... 373
De Leon, Edward W., on Competition in Accident Insurance 32
Denver Auditorium, Insurance on 90
Departmental Practices, E. E. Rittenhouse on 180
Department Store, Fireproof, in Philadelphia 216
Deposit Fund Insurance for National Banks.. 77
Deposit Laws Discussed 213
Des Moines Fire of Illinois 7
Detroit Conference at Niagara Falls, Annual Meeting of 181, 192
Detroit Conference Meetings 103
Detroit, Mich., Surety Agents Organized.... 277
Dickson & Tweeddale Secure Control of German Union Fire of Baltimore 287
District of Columbia, Board of Fire Underwriters, Reorganization of 59
Dixie Fire of Greensboro, N. C..... 21
Dixie Life of Little Rock and Absorption by Great American Life of St. Louis..... 41
Dobbs, Charles, on Education of the Agent.. 134
Dover, N. J., New Fire Insurance Company Organizing 128
Drake, Thomas E., Address Before Board of Casualty and Surety Underwriters.... 296
Drake, Thomas E., on a Standard Mortality Table 179
Drayton, Robert C., Elected Vice-President of Penn Mutual Life 289
Drew, Cyrus K., on Fraud and Fallacy in Life Insurance Company Organization.. 135
Druggists' Indemnity Company of St. Louis Operating in Colorado 90
Dryden, John F., on Life Insurance Taxation 398
Du Bois, Charles W., Death of 43
Dubuque Fire and Marine, Twenty-fifth Anniversary of 42, 73
Dudley, W. W., Illness of 217, 250
Duluth Elevator Loss, Salvage on.....59, 89
Dunham, Sylvester C., Address Before Board of Casualty and Surety Underwriters.... 293
Duplication of Names of Insurance Companies, Protest Against 353
Dwelling House Forms..... 249
Dyspepsia as a Shortener of Life..... 248

EARTHQUAKE Clause Eliminated from California Policies 450
Earthquake Suits at Kingston, Jamaica.....7, 288
Eastern Life of New York, Retirement of.... 59
Eaton, J. F., Death of..... 275
Economic Life of Philadelphia.....7, 414
Eddy, Perley E., Death of..... 207
Educational Fund Policy of the Mutual Life. 299
Edwards, Charles Jerome, Annual Address of. 132
Edward, Charles Jerome, Complimentary Dinner to, by the Underwriters' Association of New York 274
Egleston, J. Homer, Death of..... 74
Ekern, H. I., Defeated for Renomination in Wisconsin 191, 289
Eldridge, George Dyre, Book on Fraternal Insurance Rates 370
"Electrical Currents" Clause Tested in Courts. 20
Elevator, Passenger, Hazard..... 362
Ellerbee, Christopher P., Death of 219
Ellison, William B., Discussed as Gubernatorial Possibility 88
Embezzlements 150, 253, 275
Empire Casualty of Parkersburg, W. Va., Increase of Capital 253
Empire Life of Atlanta, Ga., Examination of. 447
Empire State Casualty's Death and Dismemberment Policy 313
Empire State Surety, Election of a Secretary. 414
Empire State Surety, Examination of, by S. H. Wolfe 8
Empire State Surety Policies.....44, 107, 377
Employees in Factories, Cautions to..... 376
Employers' Liability Insurance in Germany... 233
Employers' Liability Law Advocated in Russia. 277

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PAGE
Employers' Liability Law of the United States Declared Invalid by the Supreme Court.. 237
Employer, Liability of, for Acts of Servant, Judicial Decision 237
Endowment Accident of Sioux City Reinsured by Great Western Accident of Des Moines 7
Endowment Insurance as an Investment..... 186
Endowment Insurance, Popular Fallacies Concerning 232
Epperson Agency Trouble at Nashville, Tenn. 190, 205, 237, 269, 273, 287, 308, 373
Equitable Accident of Boston and Transfer to Stock Basis 253
Equitable Industrial of Charleston, S. C..... 148
Equitable Life Agency Celebration in Louisville 310
Equitable Life, Annual Election of Directors. 389
Equitable Life, Dinner by the Philadelphia Agents to President Morton..... 340
Equitable Life, Projected Sixty-four Story Building 2, 86, 413, 427
Equitable Life Restrained from Suing to Recover Investments in Western National Bank Stock 386
Equitable Fire of Kansas City Organized.326, 360
Erb, J. Clayton, Death of..... 250
Erie, Pa., Fire Hazard, Report on..... 341
Estates, Average Left by Dying Men Small.. 358
Eye Injuries and Disability Claims..... 380

FACTORY INSURANCE ASSOCIATION, Origin of 101
Fatigue in Relation to Accidents 362
Federal Life of Chicago 324
Federal Supervision of Insurance Discussed 126, 249
Federal Union Insurance Company of Chicago 88, 274, 289
Federal Union Surety of Indianapolis, 77, 193, 209
Fernie Forest Fire Loss 105
Fessenden, Samuel, His Life Insurance..... 7
Fidelity and Casualty of New York...91, 176, 252
Fidelity and Casualty of New York, Its $100,000 Policies 344
Fidelity and Deposit of Baltimore Insures Schedule of the Missouri Pacific R. R... 344
Fidelity and Deposit of Baltimore on the Cowan Bond 327
Fidelity Bank Rates 276
Fidelity Bond, Reasons for Declining..... 252
Fidelity Funding Company, Failure of....413, 429
Fidelity Insurance Hearing by the Committee of the National Convention of Insurance Commissioners 347, 353, 415
Fidelity Mutual Life and the Massachusetts Savings Bank Life Policy..... 216
Fidelity Risks, Underinsuring of..... 416
Fidelity Underwriting by London Lloyds..101, 120
Fidelity Uniform Laws, Committee of Insurance Commissioners to Formulate..... 229
Fire Alarm System of New York.....6, 429
Fire Insurance Business in the United States. A British View of 314
Fire Insurance Club of Chicago, Its Lectures on the Analytic System of Rating..... 289
Fire Insurance Commissions Question in the South 1, 17, 37, 45, 47, 85, 194, 281
Fire Insurance Companies of Des Moines, Mutual, and Judgments Against Policyholders for Assessments..... 273
Fire Insurance Conditions in the Middle West. 71
Fire Insurance Conditions in America as Viewed by European Underwriters..... 171
Fire Insurance Course, New York University. 171
Fire Insurance Expenses and Commissions. A Southern Editor's View 194
Fire Insurance Losses on the Pacific Coast.. 105
Fire Insurance Premiums, State Regulation of, Advocated by Insurance Commissioner McGivney 161
Fire Insurance Rates in Manhattan, Call for Reduction in 229, 238, 270
Fire Marshalship Results in Ohio 213
Firemens of Newark, New Company Building 359
Fire Protection and Hazards in Ohio..... 288
Fire Protection Appliance, Turbine Petroleum Machine 232
Fire Protection for Piers 4
Fire Prevention Convention, United States, Proposed in Ohio 412
Fire Prevention Methods by the Ohio State Fire Marshal 288, 371, 385
Fires in the United States, Investigation by the National Conservation Commission... 231
Fire Underwriters' Association of the Northwest, Annual Meeting 90, 255
Fire Underwriters' Association of the Northwest, Annual Meeting Discussed 245
Fire Underwriters' Association of the Northwest, Program of the Annual Meeting, 104, 172, 224
Fire Underwriters' Uniformity Association, Executive Committee Meeting 87
Fire Waste, American, J. Montgomery Hare on 94
Fire Waste, Report to the National Conservation Commission on 409, 426
Fire Waste to be Investigated by the U. S. Geological Survey 217
Fireworks, Storage of 6
Fisher, George B., Hartford, Death of..... 390

PAGE
Fiske, Henry A. 374
Fitzgerald, Louis, Death of 250
Fleming, Matthew C., His Fee for Inspecting the New York Insurance Department.... 128
Flitcraft's Table of Life Insurance Dividends 310
Fly as Carrier of Disease 128
Folk, Commissioner, in Mix-up with Nashville Agents 269
Football Injuries 361
Force, J. E., Paroled by Minnesota State Board of Pardons 105
Forest City Life of Rockford, Ill., Organized 450
Forest Fires, Government Efforts at Prevention 223, 270
Forest Fires in New York State 411
Forest Fires in Western Canada, Insurance Loss in 89
"Forgets" to Be Remembered..... 215
Foster, James, Death of 74
Fourth of July Fatalities..... 22
Fox, Wiliam F., Death of 21
Franchise Bonds, Hazardous Nature of 239
Frankfort Marine, Accident and Plate Glass, 62, 433
Franklin Fire of Philadelphia, Election of New Officers 356
Fraternal Beneciary Ruling in West Virginia 188
Fraternal Censors of Ohio 429
Fraternal Insurance Legislation Discussed.. 185, 214
Fraternal Insurance Rates, Zeno M. Host on 370
Fraternal Mortality Tables to Be Constructed. 370, 413
Fraternal Mystic Circle, Report of Examination of 357
Fraternal Orders, Danger of Inadequate Rates by 370
Fraternal Orders, Hearings by Insurance Commissioners' Committee on Uniform Bill.. 411
Fraternal Uniform Insurance Law Proposal, 185, 214
Freeholders of Topeka, Kan., to Enter New York State 42
Fricke, Wiliam A., and the Mutual Savings Life of New York.....345, 363, 377, 437
Fricke, Wiliam A., Resignation as President of Mutual Savings Life 246
Fryer, Greenville E., Death of 74

GARBER, E. M., Death of..... 174
Garner, Fred M., Greensboro, N. C..... 74
Geldert, Louis N., Buys the *New York Insurance Journal* 172
General Accident of Perth Absorbs the Canadian Casualty 329
General Accident of Perth and European Trip Contest 77
General Accident of Perth, Agents' Convention 150
General Accident of Perth Takes Over General Accident of Philadelphia..... 9
General Accident of Perth Simplex Accident Policy 312
General Accident of Philadelphia Consolidated with General Accident of Perth..... 9
General Fire Extinguisher Company, Installation of Equipments 90
Georgia Association of Life Insurers Adopts Rules for Good Practices..... 63
Georgia Fire of Cedartown, Ga., Increase of Capital 326
Georgia Legislation Discussed..... 53
German Commercial Accident of Philadelphia. 9, 150, 193, 221, 291
German Fire of Pittsburgh..... 6
Germania of New Orleans Absorbed by the Teutonia of New Orleans.....89, 106
German Mutual Fire of Omaha..... 389
German Mutual Life of St. Louis..... 173
German, Robert L., Joins Massachusetts Bonding of Boston.....42, 90
German Union Fire of Baltimore...287, 324, 371
Gerrish, Leonard H., Death of..... 60
Gibraltar Beneficial Society, Officers Arrested for Illegal Practices 127, 172
Gilbert, C. B., Chicago..... 375
Gilbert, William T., Death of..... 60
Gillette, Dr. Walter R., Illness and Death of. 310, 344
Gilmore, Homer G., Death of.....274, 289
Giroux, L. D., Brooklyn, Death of..... 431
Globe and Rutgers Suit Against Fire Insurance Companies in Mississippi..... 359
Goddard, Alfred S., Death of..... 206
Goddard, Ralph F., Death of..... 342
Goodale, C. A., Elected Secretary of the Security Life of America..... 250
Good, Charles W., Joins the Niagara Fire.... 274
Gould, W. H., Resignation as Actuary of State Mutual Life of Rome, Ga..... 7
Government Insurance of Shipping in War Time 20
Grand Pacific Hotel, Chicago, Use and Occupancy Suits 273, 338
Graveyard Insurance Scheme..... 273
Great American Life of St. Louis..... 190, 218, 309, 359
Great American Life of St. Louis and Absorption of the Dixie Life of Little Rock.... 41
Great Northern Life of Wausau, Wis., Organized 450

PAGE
Great Western Accident of Des Moines Reinsures Endowment Accident of Sioux City. 7
Great Western Life of Kansas City and Organization of the Trans-Mississippi Life.5, 73
Great Western Life of Kansas City Declared Insolvent by Wisconsin Insurance Department 58
Great Western Life of Kansas City, Examination of 19, 325, 431
Great Western Life of Kansas City Receivership 42, 89, 148, 170
Greensboro Life of North Carolina, Election of an Actuary 360
Gregory, E. H. L., on California Insurance Legislation 137
Griffing, H. C., Made Manager of Wisconsin Rating Bureau 74
Guarantee Company of North America..... 9
Guarantee Company of North America, Report of Examination of..... 350
Guaranteeing Bank Deposits in Oklahoma.... 131
Guaranteeing Bank Deposits, William H. Taft on 176
Guarantee Life of Texas Barred from Kansas. 218
Guarantee Life of Texas, Its Alabama License Cancelled 147
Guarantors' Liability Indemnity Company, Thanks for Check for Six Cents in Settlement of Claim Against 213
Guardian of Pittsburgh Reinsured..... 412

HAIL Insurance in the West..... 90
Hail Insurance to Be Written by the Connecticut Fire 450
Hall & Henshaw, Retirement of E. K. Beddall from the Firm of..... 105
Hall, Edward E., & Co. Take Over Business of George A. Stanton & Co..... 59
Hall, President John A., Death of.....177, 188
Hall, Thrasher, Returns to Adjusting for the Companies 90
Hamburg-Bremen, Change in Boston Agency. 428
Hammond, H. P., Appointed Actuary of Connecticut Insurance Department..... 19
Hanover American Accident Company Organized 131
Hanover Fire of New York Re-enters Arkansas 105
Harding, Edward C., Indicted for Embezzlement 289
Hare, J. Montgomery, on "The American Fire Waste" 94
Harris, Dan B., Becomes Manager of Southern Department for Aaachen and Munich..... 40
Hartford Insurance Companies' Payments to Policyholders 271
Hartford Insurance Institute Organized..... 287, 305, 308, 388
Hartford Life Premium Reduction Policy.... 148
Hartford Life, Safety Fund Department..... 231
Hatch, George W., Communication from..... 393
Harvard University Course in Insurance..... 148, 245, 246
Harvard University Free Lectures on Medical Subjects 448
Hayden's Annual Cyclopedia of Insurance... 389
Hayes, William H., Rock Island, Ill., Death of. 360, 375
Health Statistics, R. S. Keelor on..... 28
Healthy Spots in New York..... 209
Hegeman, John T., Vindication of, by the Appellate Division of the Supreme Court.. 425, 435
Hewes, M. Lewin, Adjuster..... 451
High Pressure Water System of Chicago.... 309
High Pressure Water System of New York City 1, 2, 204, 229, 238, 340, 359, 388, 429
High Pressure System of New York City Discussed 1
Hirschberg, Francis D., Death of..... 414
Hoffmann, Frederick L., on Old Age Pensions 380, 409
Hoffman, Frederick L., on Tuberculosis as an Industrial Disease 230
Hollenbeck, Harlan H., Appointed First Deputy Fire Marshal of Ohio..... 21
Hollister, Charles H., Death of..... 60
Home Circle Fraternal Society of Boston Receivership 447
Home Fire of Little Rock, Ark., Receivership. 105, 128, 413
Home Fire of Phœnix, Ariz., Discontinues Business 289
Home Life of New York.....20, 129, 371
Home of Greensboro, N. C., Consolidated with the Southern Underwriters 450
Home of New York, Its Semi-Annual Statement Discussed 37
Hone, Augustus C., on Harmful Legislation.. 355, 369
Hooper, Sidney K., Death of..... 219
Hooper, W. D. M., on the Automobile Hazard. 28
Host, Zeno M., Joins the United States Annuity and Life of Chicago..... 190
Host, Zeno M., on Fraternal Insurance Rates. 370
Host, Zeno M., Severs Connection with Insurance Department of Knights of Pythias.. 126
Howland, Charles A., Death of..... 236
Hoxie, Charles H., Boston..... 431
Hoyt, Ferdinand A., Sr., Death of..... 106

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PAGE

Hudson Underwriters' Agency Begins Business 189
Hughes, Governor, and Insurance Legislation Discussed....18, 69, 73, 85, 125, 185, 229, 245, 285, 316, 369, 409, 420, 447
Hughes, Governor, His Candidacy for Re-election Discussed.....69, 85, 103, 125, 139, 185, 201, 229, 245, 285, 305, 369
Hughes, Governor, Renominated..... 201
Hughes, Governor, Scored by New York State Volunteer Firemen 72
Hunters Killed and Wounded in Wisconsin... 344
Hyde, James Hazen, His Return to Paris from Asia 74
Hyde, James Hazen, Injunction in Favor of.. 386

IDE, President, on the "Fundamentals of Life Insurance" 427
Illinois Anti-Trust Suits Discussed.....269, 272
Illinois Fire Prevention Association, Organization of 248
Illinois Insurance Handbook..... 233
Illinois Life of Chicago..... 173
Illinois Life of Chicago and Its Kansas Deposit 429
Illinois Surety of Chicago.....107, 292
Illinois State Board of Fire Underwriters... 5, 6, 105
Imperial Accident of Chicago, Organized..... 150
Incandescent Lamps Hazard..... 72
Incendiaries, Shoot Them, Says Western Mayor 289
Incubators and Brooders, Rules for the Installation of 216
Indemnity Mutual Marine of London Not to Unite with Union Marine of Liverpool.. 42
Independent Mutual Life of Philadelphia in Trouble 234
Independent Order of Foresters, New Rates.. 4
Indiana Association of Local Fire Insurance Agents, Annual Meeting 58
Indiana Auditor Opposed to Stock Options with Life Insurance Policies..... 20
Indiana Fire Insurance Premiums First Half of 1908 203
Indiana Law Relating to Transfer of Suits to Federal Courts Does Not Apply to Insurance Company 172
Indiana Local Option Bill..... 249
Indianapolis Fire Hazard..... 272
Indianapolis, New Fire Insurance Company Organizing in 374
Indiana Surety Rulings Challenged by American Surety of New York 61
Industrial Life Association of St. Louis, Organized 173
Iron Safe Clause in Wisconsin..... 73
Industrial Life Insurance, Installment Plan in Massachusetts 209
Insurable Interest of Husband and Wife..... 10
Insurance Against Deafness..... 330
Insurance Against Election of Bryan in the London Lloyds 40
Insurance Against Loss of Employment..281, 376
Insurance Against Loss of Profits by the Royal 448
Insurance by the Government of Shipping In Time of War..... 20
Insurance by the State Advocated by William J. Bryan 201
Insurance Commissionerships, Impending Changes in 355
Insurance Company of North America, Rates on Cotton 373
Insurance Department Commissioners, Annual Convention of 5
Insurance Department Practices, Commissioner Rittenhouse on 169, 180
Insurance Directory of Greater New York... 189
Insurance Institutes for Educational Work... 305, 308
Insurance Institute of Hartford Organized.2, 289
Insurance Legislation, Frederick H. Nash on. 28
Insurance of Bank Deposits Discussed.....69, 125
Insurance of Bank Deposits, the National Democratic Platform on..... 71
Insurance of Domestic Servants in England.. 76
Insurance of Minors Discussed..... 53
Insurance of Orchards.....328, 337
Insurance Society of New York.....233, 287, 309
Insurance Supervision, Federal, Discussed... 126
Insurance Taxation, General Conference Under the Auspices of the Association of Life Insurance Presidents..... 329
Insuring Ships and Scuttling Them..... 147
International Acetylene Association, Annual Meeting 74
International Association of Accident Underwriters, Annual Convention 25, 38
International Association of Accident Underwriters, Annual Meeting Discussed..... 17
International Association of Accident Underwriters, Meeting of Executive Committee. 291, 343, 376
International Association of Accident Underwriters, Views of Its Friends and Critics on Usefulness of..... 130
International Association of Fire Engineers, Annual Convention 148, 173
International Automobile League, Its Insurance Scheme Turned Down by the Travelers of Hartford..... 61

PAGE

International Fidelity Insurance Company to Branch Out 176
International Insurance Encyclopedia Announcements 30, 58
International Life of St. Louis Chartered.58, 148
International Life of St. Louis, Election of Officers 190
Inter-Southern Life of Louisville, Ky., and Proposed Purchase of Provident Savings Life of New York..... 86
Inter-Southern Life of Louisville, Reduction of Capital 373
Interstate Life Association Company of Cincinnati Winding Up Its Affairs..... 58
Interstate Life of Indianapolis and Its Guarantee Fund 71
Interstate Life of Indianapolis, Election of Officers 431
Inter-State Surety of Redfield, S. Dak., Organized 177
Iowa, Fires in..... 249
Iowa Fire Underwriters Organize..... 274
Iowa Fire Prevention Association Organized.. 310
Iowa Legislation to Establish a Separate Insurance Department 188, 451
Iowa Life Underwriters' Association.....374, 430

JACKSON, JOHN BEARD, Death of.... 326
Jakor Insurance Company of Moscow, Entry to United States.....74, 90
Jamaica Earthquake Claims 7, 89, 288, 374
Jameson & Frelinghuysen Surplus Line Companies 289
Jameson & Frelinghuysen Agency Writes Accident and Health Insurance 253
James River Fire, of Richmond, Va., Charter Revised 21
Jefferson Fire of Philadelphia to Discontinue New England General Agency 309
Jerome, District Attorney, Finding of Commissioner Hand on the Charges Against. 145
Jewell, E. W., Appointed Assistant Western Manager of the Atlas of London 326
Jewelers' Mutual Fire Insurance Company of Wisconsin Organized 9, 273
Jones, George W., Brooklyn, Death of 431
Johnson, Governor of Minnesota, His Letter Praising Tom Lawson..... 145
Johnson, Samuel J., Minnesota State Agent.. 431
Johnson, Theodore T., Joins Equitable Life. 431
Johnson, Thomas, Death of 149
Johnson, W. N., on Publicity in Fire Insurance 260
Jordan, Thomas D., Death of 38, 274

KANSAS Anti-Trust Suits 42, 389
Kansas City Board of Underwriters and the Duncan Ford Investment Company 214
Kansas City Sole Agency Movement Defeated 233
Kansas, Order by the Insurance Department Concerning Selling of Notes Given for Life Premiums 204
Keelor, R. S., Health Statistics Compiled by 26
Kelly, Fuller & De Rivera, New York Agency Formed 19
Kelsey, Superintendent, Accepts the Deputy Comptrollership of New York.....425, 426
Kendall, George E., Death of 289
Kennedy, Allen, on Contingent Commissions. 111
Kentucky Association of Surety Underwriters 221
Kentucky Board of Fire Underwriters....42, 74, 373
Kentucky Insurance Department Notice to Companies Not Advertising Liabilities.. 325
Kentucky Night Rider Cases.....7, 56, 148, 248
Kentucky, Valuation of Foreign Corporations' Franchises 252
Keystone Fire of Philadelphia Organized..310, 325
Kieffer, John P., Death of 289
Kilpatrick, William H., Resignation as Vice-President of the Insurance Company of the State of Pennsylvania 129
Kimmel Life Insurance Case 286, 307
King, Charles S., Death of 60, 88
Kingsland, Oliver H., Death of 7
Kingsley, President, His Return from Europe, and Homecoming Address.....74, 80, 95
Kingsley, President, on Life Insurance Reform 245
Kingsley, President, on Life Insurance Taxation 412
Kingsley, President, on the Early Pioneers in Life Insurance 436
Kingsley, President, on the Havoc Wrought by New York Insurance Legislation ... 316
Kingston, Jamaica, Earthquake Cases..7, 89, 288, 374
Knights of Pythias, Insurance Department, 126, 273, 307, 358, 428
Knights of Pythias, Insurance Experience of. 446

LAKE Captains, Accident Insurance Rates on 9
Lake Marine Insurances in 1908..... 341
Lamey, H. T., on Fire Insurance Conditions in the Middle West 71
Langham, Arthur C., Louisville 451
Lapses Following Adjustments 130

PAGE

Larchmont "Millionaire Fire Department," Annual Parade 128
Lawrence, Mass., Fire Hazard..... 87
Lawrie, Daniel, Death of 250
Law Makers and the Rage for Law Making, President Dickinson on 316
Law Making, Mania for 128, 269
Lawson, Thomas W., and His Presidential Predictions 41
Lawson, Thomas W., Endorsed by Governor Johnson of Minnesota 145
Lawyers' Title and Guaranty Company Merges Two Title Companies 291
Legislation, Harmful, Agency Director of the Citizens Life on 355, 369
Legislation, Insurance, Discussed 17, 185
Legislation, Insurance, Far Reaching Effect of New York Laws 321
Legislation, Life Insurance, Chamber of Commerce Commission on.....386, 409, 420
Legislation, Life Insurance in New York, President Kingsley on..... 316
Legislation, New York Life Insurance, Detrimental to New York Companies....285, 286
Legislation Overdone 269
Legislatures, Popular Disregard for 269
Legislatures to Meet in 1909, List of 195
Lethridge, Robert P., Death of 390
Letton, Theodore W., Death of 253
Levering, Richmond, His Life Insurance Policies 41
Liability Companies, Meeting of, in New York 192, 208
Liability Insurance Association, Annual Meeting of 292
Liability Insurance in the United States—A British View of..... 315
Liability Insurance Placed in Block..... 45
Liability Investigators' Handbook..... 192
Liberty Life of New York, Policy Requirements Broadened 287
Life and Disability Policies Must be Separate Contracts in Massachusetts—Opinion of the Attorney General..... 196
Life Insurance Carried by Divorced Woman on Former Husband's Life 103
Life Insurance Company Bogies Started by Swindlers 104
Life Insurance Companies of the South and West, A Message from, by S. S. Smith.. 385, 400
Life Insurance Companies Withdrawing from Wisconsin Seek Opinion on Legality of Filing Annual Statements 57
Life Insurance Companies, Southern, Activity of 203
Life Insurance, Competitive Feature in 202
Life Insurance, Effect of Underweights on Mortality 209
Life Insurance for Women and by Women.. 136
Life Insurance for the Millionaire Class..... 89
Life Insurance, Importance of the Middleman in 215
Life Insurance Increased by Wireless Telegraph 231
Life Insurance, Old Fashioned Methods of Selling 387
Life Insurance, Pioneers in, President Kingsley on 436
Life Insurance Policies as Christmas Gifts to Employees 445
Life Insurance Policy Issued by Towel Supply House 131
Life Insurance Soliciting in the Australian Bush 70
Life Insurance, Speculative 271
Life Insurance Taxation, General Conference Under the Auspices of the Association of Life Insurance Presidents of New York. 329
Life Underwriters' Association of New York, Meetings of 288, 310, 373
Life Underwriters Company of America, Suits Against 175
Lion Bonding and Surety of Omaha Increases Capital 253
Liverpool and London and Globe and Cotton Storage Case 71
Lloyds London, Alleged Reckless Underwriting in America 85, 218
Lloyds London and Blanket Fidelity Form.. 120
Lloyds London and Insurance of William H. Taft 73
Lloyds London and Its Fidelity Risks..... 92, 101, 120
Lloyds London Characterized as Huge Gambling House 78
Lloyds London, Insurance of the Presidential Chances of William J. Bryan 40, 69
Lloyds London, Its Solvency Discussed.69, 78, 85
Lloyds London, President Joyce of the National Surety on 85
Lloyds London, Syndicate Reported in Trouble 97
Lloyds London, The *Insurance Index* on Its Gambling Feature..... 233
Lloyds Operations in the South 203
Lock, Frank, Lecture in Boston 219
Lockwood, S. P., Joins Columbia Life and Trust of Portland, Ore., as Vice President 42, 59

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PAGE

London and Lancashire Agents' Meeting in Hartford 74
London and Lancashire and Arkansas Tax Case 55
London Guarantee and Accident Enters Steam Boiler Field 253
Longwindedness of Convention Orators..... 305
Los Angeles Meeting of National Association of Life Underwriters 71
Lott, Edson S., Elected President of Board of Casualty and Surety Underwriters.... 298
Lott, Edson S., Defense of International Association of Accident Underwriters 130
Louisiana Constitutional Amendment Exempting Life Insurance Loans from Taxation 373
Louisiana Fire Prevention Bureau and Rate Increase in New Orleans 104
Louisiana Law Prohibiting Transfer of Suits Declared Unconstitutional 412
Louisiana Legislation Regulating Fire Insurance Commissions.....1, 17, 37, 45, 47, 85
Louisiana, Life Underwriters Association of, Organization of 72
Love, Commissioner, on the Robertson Investment Law of Texas 102, 323
Lowell, Mass., Conflagration Hazard 231
Loyal Accident of Chicago, Reorganization of 77
Luling, Ex-Superintendent, of Kansas..... 207
Lumber Insurance Company of New York, 148, 373
Lumber Losses 308
Lumbermen's Accident Company of Louisiana Organizing 193
Lumbermen's Indemnity Exchange of Seattle. 289
Lumber Mutual Insurance Company of Massachusetts Enters Connecticut 274
Lumber Yards Schedule Promulgated by Western Union 42, 105
Lyman, Henry D., Plays Chess by Wireless.. 62

MACDONALD, WILLIAM, San Francisco. 311
Machinery, Insurance Against Break Down of 237
Maine Insurance Commissionership 414
Maine Tax Commission in Session..... 233
Maitland, Thomas L., Special Agent..... 206
Manhattan Fire Alarm Company's Use of New York City Fire Alarm Boxes..... 38
Manhattan Life, Appointment of Philadelphia Agent 359
Manhatan Life, Report on, Examination of... 413
Mantz, Isidore P., Arrested for Libel..... 451
Marquette Mutual Life of Illinois, Settlement of Its Affairs 6
Maritime Insurance Company of Liverpool Enters New York..... 21
Markham, George C., Elected President of the Northwestern Mutual Life of Milwaukee. 38
Married Woman as Surety on Bond..... 417
Marsh, Elias J., Death of..... 90
Maryland Casualty of Baltimore Liability Forms 12
Maryland Casualty of Baltimore, New Policies of 175
Maryland Insurance Commission Meetings.... 127
Massachusetts Accident Company.....251, 417
Massachusetts Bonding Company and the Federal Union Surety of Indianapolis..... 208
Massachusetts Bonding Company, Resignation of Vice President Gott..... 206
Massachusetts Bonding Company, Withdrawal from Burglary Underwriters' Association. 277
Massachusetts Life and Disability Policies Must Be Separate 196
Massachusetts Mutual Accident Association Reorganized 238
Massachusetts Mutual Life, Election of New Officers 216, 306
Massachusetts Mutual Life, New Building... 274
Massachusetts Savings Bank Life Insurance Plan 54, 87
Massachusetts Savings Bank Life Insurance Plan, Half Year Trial of..... 445
Massachusetts Old Age Pension Scheme Discussed 409
Masonic Mutual Life of Washington, D. C., Examination of 189
Masters, Arthur W., His Letter to the Board of Casualty and Surety Underwriters.... 295
Maturity Clause in New York Underwriter Agency Policies to Be Waived..... 359
McCauley, Eugene C., Death of..... 7
McClench, William W., Elected President of the Massachusetts Mutual Life..... 306
McClure, Walter C., Resignation as Secretary of the Metropolitan Surety of New York 250
McCue Murder Case 337, 340
McCurdy, Richard A., Withdrawal of Indictment Against 372
McFeely, Charles A., Death of..... 74
McMullen, Frank E., on Attitude of Life Insurance Interests Toward Re-election of Governor Hughes 140
McVey, James A., Appointed Actuary of Missouri Insurance Department 129
Medical Examiner in Life Insurance, John M. Taylor on 64
Medical Examiners' Fees Increased by Northwestern National Life of Minneapolis.... 89

PAGE

Meeker, Clarence G., Death of..... 451
Melvin, Robert, Death of..... 326
Merchants and Planters of Oklahoma..... 326
Merchants Life and Casualty of Minneapolis Organized 9, 24
Metropolitan Life Has Policyholders Everywhere 58
Metropolitan Life, History of Forty Years... 79
Metropolitan Life Puts Up Hall for Records. 6
Metropolitan Life Tower Bells..... 40
Metropolitan Street Railway Company Issues Fire Prevention Manual for Employees.. 102
Metropolitan Surety of New York, Heavy Damages Against 377
Metropolitan Surety of New York, Impairment of Capital 415, 452
Metropolitan Surety of New York, Official Changes 250
Mexico, New Life Insurance Law Proposed for 146, 308
Michigan Commercial of Lansing, Increase of Capital 235
Michigan Millers' Mutual Fire of Lansing.... 236
Midland Casualty Company of Chicago..... 453
Midland Life of Kansas City Organized..... 431
Middle Department, Underwriters' Association of, Annual Meeting..... 428
Middleman in Life Insurance, His Importance Emphasized 215
Miller, H. K., on Agents' Commissions in the South 247
Miller, John B., Death of..... 342
Miller, Llewellyn, Death of.....360
Miller, Walter, Special Agent..... 311
Million Dollar Life Insurance Policy Written. 217
Minnesota and North Dakota Fire Underwriters' Association, Annual Meeting.... 58
Minnesota Association of Local Fire Insurance Agents, Annual Meeting..... 104
Minnesota, Fire Protection Measures in..... 273
Minnesota Insurance Commissionership..... 451
Minnesota Mutual Life, Change in Management 388
Minnesota Standard Fire Policies, Use of Riders Restricted.....105, 322, 338, 359
Minors, Insurance of, Discussed..... 53
Misner, John L., Death of..... 289
Missouri Association of Local Fire Insurance Agents Opposes Rebating..... 357
Missouri Gubernatorial Campaign Waged on Insurance Issues 234, 305
Missouri State Life Examined by Missouri Insurance Department 172
Mississippi Home of Vicksburg Receivership.7, 77
Mississippi State Treasurer Opposes Acceptance of Corporate Surety Bonds.....91, 290
Mississippi Valley Life of Little Rock, Ark., Incorporation of 73
Modern Life of Indiana, Organization of.... 128
Modern Woodmen of America, Examination of 274, 427
Modern Woodmen of America Withdraw from National Fraternal Congress.....88, 129
Monongahela of Pittsburgh, Election of a President 272, 360
Monrose, Louis, Death of..... 74
Morgan, Louis S., Death of..... 191
Morrison, Samuel L., Death of..... 391
Mortgage Lifted by a Life Policy..... 215
Morton, President Paul, Address on Grover Cleveland 394
Mullins, James P., Returns to Insurance Business 74
Multiple Agency Rule in Kansas City..... 89
Munson, Henry S., Death of.....174, 191
Murderer, Executed, Policy on Valid....337, 340
Mutual Fire Insurance Encouraged by Blunders of Stock Companies..... 101
Mutual Life of New York and Holdings of Stock in United States Mortgage and Trust Company 172
Mutual Life of New York and Perkins Suit.. 41
Mutual Life of New York, Educational Fund Policy 285
Mutual Life of New York Loses Oldest Policyholder 21
Mutual Life of New York, Meeting of Chicago Agents 307
Mutual Life of New York, Suit to Recover Amount of Taxes in Indiana..... 357
Mutual Reserve Life of New York, Alabama Policyholders Prepare to Sue Receivers.. 105
Mutual Reserve Life of New York and Reinsurance of Assessment Policyholders in the American Temperance Life Insurance Association 38
Mutual Reserve Life of New York, Its Affairs Discussed by Italian Parliament..... 6
Mutual Reserve Life of New York, Receivership Proceedings 412
Mutual Reserve Life of New York, Transfer of Policyholders to the Postal Life..... 341
Mutual Savings Life of New York, Examination by New York Insurance Department. 288, 426
Mutual Savings Life of New York, Official Changes 246
Mutual Savings Life of New York, Reinsurance of 309, 373, 449
Mutual Savings Life of New York, Resignation of William A. Fricke from Presidency 270, 277

PAGE

Mutual Savings Life of New York, Statement of Miles M. Dawson in the Fricke Controversy 437
Mutual Savings Life of New York, Statement of William A. Fricke.....345, 363, 377, 437

NAMES, Identical or Similar, of Insurance Companies 238
Nash, Frederick H., on Insurance Legislation. 28
National Association of Life Insurance Agents, Charter Applied for by Industrial Agents. 173, 201
National Association of Life Underwriters, Annual Meeting.....21, 71, 94, 132, 273
National Association of Life Underwriters, Annual Meeting Discussed..... 125
National Association of Life Underwriters, New Associations Organizing..... 249
National Association of Life Underwriters, Standing Committees 356
National Association of Local Fire Insurance Agents and Commissions Question..... 96
National Association of Local Fire Insurance Agents and Secretary Putnam..... 185
National Association of Local Fire Insurance Agents, Annual Meeting 19, 63, 108
National Association of Local Fire Insurance Agents, Annual Meeting Discussed..... 101
National Association of Local Fire Insurance Agents, Opposition to Advertisements in the *Bulletin* 205
National Association of Local Fire Insurance Agents, Standing Committees of..... 215
National Assurance Company of Ireland, Settlement of Its Affairs..... 3
National Board of Fire Underwriters, Inspection of Fire Hazard of Various Cities... 39, 54, 87, 102, 146, 247, 272
National Board of Fire Underwriters, New Members Admitted 217
National Board of Fire Underwriters, Report on the Fire Waste to the Conservation Commission 409, 426
National Conservation Commission, Report on Fire Waste by the National Board...409, 426
National Convention of Insurance Commissioners, Annual Meeting 57, 93, 151
National Convention of Insurance Commissioners Discussed 145
National Convention of Insurance Commissioners, Annual Statement Blanks..... 102
National Convention of Insurance Commissioners, Hearings by the Fidelity and Surety Committee..76, 208, 229, 277, 290, 347, 353, 415
National Convention of Insurance Commissioners Standing Committees 306
National Convention of Insurance Commissioners, Meeting of Committee on Taxation 42
National Convention of Insurance Commissioners, Report of Committee on Rates of Mortality and Interest 178
National Casualty of Detroit Reinsures United States Accident Association of Detroit... 23
National Editorial Association, Annual Meeting 127, 164
National Fire of Hartford Licensed in Canada 73, 127
National Fire Protection Association, Annual Convention 90
National Fire Protection Association Joins the Conservation League 342
National Fraternal Congress, Annual Meeting of 89, 146
National Fraternal Congress Table of Mortality 370
National Fraternal Congress and Withdrawal of Modern Woodmen of America.....8, 129
National Life Association of Hartford, Report of Receiver 57, 171
National Life of the U. S. A., Business of... 190
National Life of the U. S. A., Suits Against Defamers and Libelers..... 354
National Life of the U. S. A. Enters Kentucky and Texas 249, 289
National Mutual Fire of Omaha Receivership. 19
National Protective Legion of Waverly, N. Y., Report of, Examination of..... 355
National Reserve Life of St. Louis Organized. 450
National Surety of New York, Agents' Convention 277, 291
National Surety of New York, Bail Bonds Accepted for Automobilists..... 92
National Surety of New York, New Burglary Policy 291
National Surety of New York Sued by Insurance Broker 276
Neal, Robert W., Candidate for Insurance Commissioner of California 428
Nebraska Insurance Department, Controversy with the California Insurance Department. 204
Nebraska Association of Local Fire Insurance Agents, Annual Meeting 73
Negro Fraternal Orders in Virginia..... 288
Newburger & McCormack, Cleveland, O..... 206
Newburger, J. M., Chicago, Retirement from Business 235, 250
New Amsterdam Casualty of New York, New Accident and Health Policy.....107, 150

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PAGE

New Amsterdam Casualty of New York, Declaration of Semi-Annual Dividend..... 45
New Amsterdam Casualty of New York Revises Liability Forms 43
Newark, N. J., Fire Hazard..... 102
Newark, N. J., High Pressure Water System.. 40
New Century Life of Topeka, Kan., Organization of 104
New England Fire of Providence, Reinsurance of Its Business 372
New England Mutual Life of Boston and Policy for Under Average Risks..... 147
New England Mutual Life and Elimination of Surrender Charge 6
New Mexico Fire Hazard 42, 89
New Orleans, Fire Loss in..... 171
New Orleans Fire Insurance Rates Advanced. 104, 235
New Orleans Fire Prevention Bureau..... 235
New Orleans Life Underwriters' Association. 191
New Orleans Waterworks System..... 374
New State Fire of Oklahoma City, Its Headquarters Disappears 147
New York Anti-Twisting Law, The *Insurance Field* on 86
New York Building Code Revision Commission's Report 270
New York Chamber of Commerce, Appointment of Commission on Life Insurance Legislation 386, 409, 420
New York City Brokers Ask Increase in Insurance Commissions 248
New York City Conflagration Hazard on Lower East Side 38, 55
New York City Fire Insurance Rates, Appeal for a Reduction in 229, 238, 270, 422
New York City, Healthy Spots in..... 209
New York City High Pressure Water System. 1, 2, 40
New York City, Railroad Casualties in..... 62
New York Fire Department and Installation of Duplicate Alarm Switchboard..... 246
New York Fire Insurance Exchange, Action on Brokerage Commissions.....20, 339
New York Fire Insurance Exchange, Annual Outing of Employees 233
New York Fire Insurance Exchange Bars William Sohmer from Membership..... 272
New York Fire Insurance Exchange, Branch Office Rules 7
New York Fire Insurance Exchange, Ruling on Membership of Underwriting Agencies... 205
New York Life and Case of George A. Kimmel 286
New York Life Policyholder Statistically "Dead" at Ninety-six..... 103
New York Life, a World Company, Darwin P. Kingsley on 80
New York Life $200,000 Club..... 148
New York Life Death Claims Paid..... 341
New York Life, Examination by New York Insurance Department 253
New York Life Insurance, Report Discussed. 285
New York Life, Roster of Notable Achievements 88
New York Life Underwriters' Association Meetings 4, 288, 310, 373
New York State, Underwriters' Association of, Celebration of Its Twenty-fifth Anniversary 309, 349
New York Surety Company Organized..... 107
New York University Fire Insurance Course. 171
Night Riders, Kentucky, and the Riot Clause. 7, 56, 148, 248, 449
Non-Waiver Agreement Judicial Decision.... 309
Nordische of Moscow to Enter the United States 325
Norfolk, Va., Conflagration Hazard..... 247
Norris, William H., Death of..... 174
North American Accident of Chicago..... 92, 107, 131, 292
North American Accident Company Identification Coupon 208
North American Accident of Chicago, New Accident Policy 329
North American Accident of Chicago, Report on, Examination of..... 361
North British and Mercantile, Its Reinsurance of the Ocean Marine 147
North British and Mercantile Political Atlas.. 249
North Carolina Fire of High Point, Reinsured. 191
North Carolina Fire Insurance Companies and Withdrawal from the South Eastern Underwriters' Association 287
North Carolina Fire Underwriters' Association, Annual Meeting..... 55
North Dakota Fire Insurance Agents Elect Officers 105
North Dakota Insurance Commissionership... 360
Northern Life of Chicago.....219, 373
Northern Life of Seattle, Wash., Offers Free Insurance 104
North River Insurance Company of New York. 90
North State Fire of Greensboro, N. C., Elects Secretary 74
Northwestern Fire and Marine of Minneapolis, Increase of Capital..... 206
Northwestern Fire and Marine of Minneapolis, Report of Examination of..... 340
Northwestern Mutual Life, Annual Agents' Convention 5, 19, 40, 55

PAGE

Northwestern Mutual Life, Dividend Announcement 289
Northwestern National Life of Minneapolis, Increase in Medical Examiners' Fees..... 89
Northwestern Mutual Life, Its History..... 62
Northwestern Mutual Life, Official Changes.. 37, 38, 148, 288
Northwestern Mutual Life, Retirement of President Palmer 37
Northwestern Mutual Life Twisting Case, New York 217
Norton, Harry S., Special Agent..... 431
Norwich and London Accident Company..107, 176
Norwich Union Fire Divides New England Field 107

OCEAN Accident and Guarantee Corporation 76, 77, 131, 277
Ocean Marine Insurance Company, Its Reinsurance by North British and Mercantile. 147
Octogenarian Circle Organized 173
Ogden, William B., Death of..... 24
Ohio Association of Local Fire Insurance Agents, Annual Meeting 5
Ohio Casualty. See Columbus Casualty Company 24
Ohio, Compulsory Education of School Children in Fire Prevention Methods 385
Ohio Farmers Insurance Company of LeRoy, Commemoration of Sixtieth Anniversary 42
Ohio Fire Marshal Inspects Dry Cleaning Establishments 105
Ohio, Fire Marshalship, Results in..11, 213, 288
Ohio Fire Marshal's Text Book on Fire Prevention Methods 371, 385
Ohio Fire Prevention Association 73
Ohio Fire Underwriters' Field Club, Election of Officers 274
Ohio German of Toledo, Failure and Receivership 289, 370, 386, 413, 426, 429, 450
Oklahoma, Advisory Fire Insurance Rates in. 173
Oklahoma Anti-Trust Law and Advisory Rating Bureau 57, 73
Oklahoma Anti-Trust Legislation Discussed.. 17
Oklahoma Fire Underwriters' Association Disbanding 41, 147
Oklahoma Law Guaranteeing Bank Deposits, 107, 131
Old Age Pension Scheme in Massachusetts Discussed 409
Old Age Pensions, Frederick L. Hoffman on. 380
Old Line Life of Wisconsin Offering Stock to the Public 59, 357
Oliver, John S., Death of 129
Onondaga, Mutual Fire of Onondaga County, N. Y., Receivership Application 273
Ontario Accident of Toronto Reinsured by London and Lancashire Accident and Guarantee Company of Canada 131
Orchards, Insurance of 328, 337
Oregon Deposit Law, Movement to Repeal, 190, 213
Oriental Mutual Fire of Johnstown, Pa., Warning Against 325
Osage Fire of Topeka, Kan., Organized 41
Oswego, N. Y., Conflagration, Hazard in.... 186

PACIFIC, Board of Fire Underwriters of the 20
Pacific Coast Fire Insurance Losses..... 105
Pacific Mutual Indemnity of Los Angeles, Increase Capital of 78
Pacific Mutual Life Investments in Texas.... 218
Pacific Mutual Life, New Home Office Building 412
Pacific Mutual Life, Offer of Challenge Cup to Solicitors 235
Pacific Northwest, Special Agents' Association of, Annual Meeting 342
Packard, D. C., Death of 207
Paige, Fred O., Resigns from Hartford Life. 74
Palmer, Henry L., Retirement from the Presidency of the Northwestern Mutual Life, 37, 88, 289
Palmetto Mutual Fire of Spartanburg, S. C., Its License Revoked 59
Panama Canal Zone Buildings Uninsured.... 450
Paper Trust Extortions, Don Carlos Seitz on 164
Pasadena Fire of California Incorporated.... 360
Paterson, N. J., Conflagration Hazard..... 54
Pathfinders Fraternal Association 218
Patton, C. H., on Rating Bureaus 114
Paul, Samuel B., Death of 235
Pawtucket, R. I., Fire Hazard of..... 146
Peninsular Life of Michigan Organized.... 105
Penn Mutual Life Elects Robert C. Drayton Vice-President 289
Penn Mutual Life, Sale of Its North Carolina General Agency 427
Pennsylvania Casualty of Scranton Issues Physicians' Defense Policy 77
Pennsylvania Casualty of Scranton, Its Thirty-Day Policies 45
Pennsylvania Casualty of Scranton, Premium Dividend Policy 237

PAGE

Pennsylvania Insurance Department, Charges of Favoritism Against 447
People's Fire of Chicago, Organization Completed 218
People's National Fire of Philadelphia, Election of Directors 72, 232
People's National Fire of Philadelphia, New England Department 429, 430
Perkins, Lucius H., Estate Suits Against the Mutual Life of New York..... 41
Perry, A. W., on "The Company and the Local Agents' Association"..... 117
Phelps, James T., Death of 417
Phenix of Brooklyn Reinsures United Firemen's of Philadelphia 127
Philadelphia Association of Life Underwriters, Dinner to Actuary Wolfe..... 216
Philadelphia Casualty Adopts Liberty Bell as Emblem 10
Philadelphia Casualty, Circular Concerning Impairment of 312, 377
Philadelphia Casualty, Letter of President Talbot 251
Philadelphia Casualty, New Accident Policy.. 76
Philadelphia Casualty, Reports on Examinations of 275, 327, 413
Philadelphia Casualty, Resignation of President Armstrong 236
Philadelphia Casualty, Statement on Its Condition by the State Auditor of West Virginia 436
Phillips, H. L., on Improved Risks 111
Phœnix of London and Interpretation of Wingo Act 271
Physicians' Defense Insurance 77
Piedmont Mutual Fire of Spartanburg, Its South Carolina License Revoked..... 59
Pierson-Burr Twisting Case Discussed..... 53
Pierson, Israel C., Death of 193, 231
Pierson, Wilbur H., and Anti-Rebate Case.... 54
Pillow, Eugene, Death of 174
Pipkin, Samuel J., Visit to the United States 235
Pipkin, Samuel J., His Dream of the Atlas of London 46
Pithy Sayings 207
Pittsburgh Casualty Organized..... 24
Pittsburgh Life and Trust, Examination of... 428
Pittsburgh Life and Trust, Purchase of Control of the Washington Life 222
Pittsburgh Life and Trust, Revocation of Its West Virginia License 374, 387
Plate Glass Insurance Canceled by Dynamiting a Building to Arrest Spread of Fire. 313
Pleasant Prairie Mutual Fire of Wisconsin.. 205
Plummer, Herbert A., Boston 390
Policies, Accident and Health, Proposed Standard Provisions for..... 376
Policies Covering Life, Accident and Health Insurance, Conflicting State Regulations Concerning 354, 356
Policy Must Be Taken When Delivered, Ruling of Kentucky Courts 288
Policy, Standard Fire, Adopted by California. 369
Policy, Standard Fire, California, Special Commission on 433
Policy, Standard Fire, Hearing by the Committee of the National Convention of Insurance Commissioners 357, 369, 411
Policy, Standard Fire, Use of Riders Restricted in Minnesota 322
Policy, Standard Fire, Vice-President Cornea on 388
Port Blakely, Wash., Mill Losses, and Suits Against Fire Insurance Companies..... 306
Porter, George J., Special Agent 374
Portland Casualty of Portland, Me., Election of Officers 291
Portland, Me., Fire in 410
Portland, Me., Fire Limits Extended..... 325
Portland, Me., Water Supply Inadequate.... 87
Portland, Ore., Fire Insurance Rates 188
Postal Employees, Bonding of..... 416
Preferred Life of Chicago, Receivership Proceedings 173
Price, Mathias J., Special Agent 414
Price, W. T., Resignation from the North British and Mercantile 174
Profit Sharers' Life of Philadelphia Incorporated 235
Profits, Insurance Against Loss of, by the Royal 448
Proof of Loss, Waiver of Sixty Days' Clause by Fire Insurance Companies 414
Provident Beneficial Association of Philadelphia 232
Provident Savings Life of New York, Report of Public Accountant MacNeille on..... 365
Provident Savings Life of New York, Report of Examination by the New York Insurance Department 314
Provident Savings Life of New York, Affairs Discussed 101, 445
Provident Savings Life of New York, Transactions Regarding the Control of....5, 18, 70, 86, 101, 119, 126, 172, 188, 202, 214, 230, 298, 445, 455
Prudential Casualty of Indianapolis, Organization of 277
Prudential Fire of Knoxville, Tenn., Licensed to Do Business 74, 325
Prudential Fire of Tazewell, Receivership... 128

Digitized by Google

PAGE
Prudential of Newark.....39, 148, 170, 321
Prussian National of Stettin, Appointment of a United States Manager 310
Public Officials' Bonds, Rates on..... 77
Purdin, Charles L., on Fire Hazard of Celluloid 420
Puritan Life of Providence, Educational Endowment Policy 357
Putnam, Beecher, Appointed Insurance Commissioner of Maine 414, 431
Putnam, H. H., and the National Association of Local Fire Insurance Agents..... 185

QUEEN OF ARKANSAS INSURANCE COMPANY of Little Rock Reinsures Southwestern Fire of Hot Springs, Ark.. 73

RAILROAD Instalment Insurance, New Form of 92
Rain Insurance by London Lloyds Applied for 235
Rankin, Quintin, Murdered by Tennessee Raiders, Life Insurance Policy..... 325
Rates on Fire Insurance, Reduced in New York 422
Rates, Fraternal, Zeno M. Host on..... 370
Rating, Broom Corn Risks..... 6
Rating System, Analytic, Considered by the Western Union 449
Reading, Pa., Fire Hazard..... 411
Rebating, Fire Insurance Legislation Against, in Missouri 357
Red Roosters, Order of, Organized..... 358
Reed & Dunkle, New Boston Agency Firm... 308
Reliable Life of Indianapolis..... 191
Republic Guaranty and Surety Company of Dallas, Tex., Chartered..... 62
Republic Life of Chicago Receivership....20, 233
Resident Agents Law in Oklahoma Advocated. 308
Resident Agents Law of Texas..... 358
Rhind, Charles, Death of..... 21
Rhine and Moselle and Its San Francisco Losses 205
Rhode Island Fire of Providence..... 191
Rhodus Brothers and Central Life Securities Company 6, 89
Richards, E. G., Address at the Annual Meeting of Fire Underwriters' Association of the Northwest 255
Richmond, Ind., Fire Insurance Rates..... 215
Richmond, Va., Fire Insurance Rates..... 204
Riddle, J. Irving, Death of.....60, 89
Riot Clause in Fire Policy in Kentucky..... 449
Rittenhouse, Commissioner, An Appreciation of 440
Rittenhouse, Commissioner, Drafts Law Relating to Solvency of Surety Companies. 93
Rittenhouse, Commissioner, on "Departmental Practices" 169
Rittenhouse, Commissioner, on Legislators and Insurance Legislation 17
Rittenhouse, Commissioner, on Taxation of Insurance by Governments..... 29
Rittenhouse, Commissioner, Revokes Colorado License of West Coast Life of California. 103
Rittenhouse, Elmer E., Elected President Provident Savings Life 455
Robertson Investments Law of Texas.....19, 172
Robertson Investments Law of Texas, Commissioner Love on.....157, 323
Robertson Investments Law of Texas, Discussed by E. Locke..... 41
Robertson Investments Law of Texas, Opposed in Texas 235, 245
Robertson Investments Law of Texas, Assailed by Republican Candidate for Governor of Texas..... 235
Robinson, Secretary, Associated Fraternities of America, Communication from.....214
Robinson, T. A., Iowa State Agent of the Royal 451
Rockford Life of Illinois Organized..... 430
Roehr, Julius E., Accident to..... 374
Rollins, Charles E., Death of..... 277
Roney, E. E., Expelled from Local Board at Richmond, Ind..... 174
Royal Canadian Underwriters Enter United States 249
Royal of Liverpool, Annual Meeting..... 3
Royal of Liverpool to Insure Against Loss of Profits 448
Rustin Accident Claim 208
Ryan, Harwood E., Actuary..... 431

SALVAGE Corps Idea, Origin of..... 341
Sam Houston Life of Dallas, Tex., Organized 390
Sammis, L. Walter, Leaves Washington Life of New York.....274, 289
San Francisco Fire Insurance Premiums..... 71
San Francisco Municipal Water System..... 7
Savings Bank Insurance in Massachusetts.... 54, 87, 188
Savings Bank Life Insurance, Trial of, in Massachusetts 445
Schively, J. H., Elected Insurance Commissioner of Washington State.....250, 326
Scott, Edward W., Death of..... 93
Scottish Fire of Fayetteville, N. C..... 174

PAGE
Scranton Mutual Fire Organized..... 342
Scranton Mutual Life of Scranton, Pa..... 105, 342, 390
Scrugham, George R., Prosecution for Forgery 274, 289
Sea Bathing Precautions..... 44
Security Life of Chicago, Election of a Secretary 250
Security Life of Chicago Excluded from Kentucky 430
Security of New Haven Opens Southern Department in Atlanta, Ga..... 40
Seddon Underwriting Company, Surplus Line Agents 289
Selkirk, Archibald W., Death of..... 432
Seminole Securities Company of Columbia, S. C. 373, 427, 450
Separation, Agency, in South Dakota..... 190
Septicemia, Payments for..... 91
Set Screw Hazard in Connection with Liability Contracts 220
Seward, President, on the Candidacy of Governor Hughes 185
Shaal, Florence E., on Life Insurance for Women and by Women..... 136
Sherrill, W. L., Chicago..... 431
Shriver, Samuel H., New York.....118, 390
Sickness, Economic Losses by, in the United States 449
Sioux Fire Insurance Company of Sioux City, Ia., Organized 274
Skinner, James W., Milwaukee..... 129
Skinner, James W., Elected First Vice President of Northwestern Mutual Life..... 288
Skyscraper Hazard in New York City..... 270
Skyscrapers, Proposed Limit to Height of, in New York 372
Small, Philip Lunt, Appointed Actuary of the National Surety 375
Smith, Atwood, Retirement of..... 390
Smith, Samuel Bosworth, Address on Life Insurance Companies of the South and West 385, 400
Snow, Lewis E., Death of..... 74
Snyder, Claude F., Resigns Secretaryship of Kentucky Board of Fire Underwriters.. 74, 191
Snyder, Frank G., Louisville..... 414
Sohmer, William, His Application for Membership in New York Fire Insurance Exchange Refused 272
Sole Agency Movement in Kansas City, Mo.. 233
South Atlantic Life of Richmond, Va., Election of a Secretary 149
South Carolina Insurance Commissioner..... 188
South Carolina Insurance Department, Transactions by 129, 148, 251
South Carolina Mutual, Receivership for..... 205
South Eastern Underwriters' Association..... 4, 174, 235, 287
South Eastern Underwriters' Association and Commission Question 4, 147, 281
South Eastern Underwriters' Association, Letter of Walker & Taylor to Companies in. 281
Southern Fire Insurance Agents and Commissions Question.....1, 17, 37, 45, 47, 85, 96, 281
Southern Guaranty Company of Louisville, Suit Against 187
Southern Life Insurance Companies, Activity of 203
Southern Life Insurance Companies, a Message from 385, 400
Southern Life of Fayetteville, N. C.....43, 90
Southern Life of Fayetteville, N. C., Merger with Sterling Casualty of Columbia, S. C. 276
Southern of New Orleans, Absorption of the German Union of Baltimore..... 324
Southern Savings Life and Accident, Application for Receiver for..... 323
Southern States Fire of Atlanta Organized... 374
Southern Stock Fire of Greensboro, S. C.... 59
Southern Underwriters of Greensboro, N. C.. 59
Southwestern Fire of Hot Springs, Ark., Reinsured by the Queen of Arkansas..... 73
Southwestern Life of Dallas, Tex.....326, 414
Sovereign Fire of Toronto Licensed in the United States 73, 219, 326
Spalding, Lyman on "The Province of an Attorney in Accident Insurance"..... 29
Sparrow Hazard and Fire Insurance..... 5
Special Agents' and Adjusters' Handbook.... 172
Spectator Year Books Issued..... 126
Spitzer, Albert, New York..... 313
Spokane Association of Local Fire Insurance Agents 205
Springfield Fire and Marine, Entrance into Canada 42, 88
Springfield Fire and Marine Waiver of Sixty Days Clause 414
Springfield, Ill., Destruction of Property by Mob at 127
Springfield, Ill., Rate Situation 5
Springfield, Ill., Underwriters' Club Disbands. 249
Spring Garden of Philadelphia, Abrogation of Agency Contract with American Agency Company 3
Sprinkler, Automatic, Home Made..... 19
Sprinklered Losses Heavy in West..... 288
Sprinklered Risk Loss at Denver..... 249

PAGE
Sprinklered Risks Rated by New System in Chicago 248
Sprinkler Installations 272
Sprinklers, Efficiency of Various Makes, Supplies for 357
Slot Machines as Vendors of Travel Policies. 208
State Fire Marshalship, Results in Ohio..... 213
Standard Fire Insurance Policy, See Policy..
Standard Fire Insurance Policy Form, Hearing by Insurance Commissioners' Committee at Chicago 411
Standard Fire Insurance Policy, Vice-President Correa on..... 388
Standard Forms of Health and Accident Policies 174
Standard Life of Scranton, Pa..... 374
Standard Mutual Fire of Texas, Receivership. 249
Standpipe, New Style for Skyscraper Fires... 372
Stanton, Geo. A., & Co., Business Taken Over by Edward E. Hall & Co..... 59
Statement Blanks, Annual.....102, 107
State Mutual Life of Rome, Ga., Examination of 5
State Mutual Life of Worcester, Mass., Agency Convention of 41
Steam Boiler Rates..... 331
Steam Boiler Insurance Written by London Guarantee and Accident..... 253
Sterling Casualty of Columbia, S. C.....93, 276
Sterling Life or Syracuse, N. Y., Incorporated 188
Sterling, Nelson D., Appointed Assistant Secretary of Ætna Indemnity..... 77
St. Louis Fire Department on a Double Platoon System..... 219
St. Louis Fire Insurance Premiums, Falling Off in 105
St. Louis Life Underwriters' Association to Investigate Rebate Charges 234, 430
St. Louis Individual Underwriters 340
St. Louis National Life, Election of Officers, 342, 431
St. Louis Surety Underwriters, Board of.... 362
Stocks and Bonds, Market Value of as Ascertained by the New York Insurance Department 446
Stolp, G. N., Death of 90
Stone, Dr. Harvey B., on Modern Surgery in Relation to Accident Insurance 239
St. Paul Fire and Marine, New Office Building 450
Stuyvesant of New York, Increase of Capital 206, 235
Suicide Clause in Mississippi..... 309
Sun Fire Office of London, American Business. 173
Sun Insurance Office of London, Its Two Hundredth Anniversary.....445, 449
Supervision of Insurance by the State, E. Myron Wolf on..... 163
Surety and Fidelity Companies' Liability Information Requested by Insurance Commissioners 392
Surety and Fidelity Committee of the National Convention of Insurance Commissioners, Hearings by.....229, 347, 353, 415
Surety Association of America Organized and Officers Elected..... 343
Surety Bonds Accepted by Customs Officers.. 237
Surety Bonds Accepted in Criminal Cases in Massachusetts 236
Surety Bonds of Railroad Employees..... 251
Surety Business, Possibilities of.....24, 75
Surety Business, Various Features of, 24, 75, 91, 93, 118, 131, 290
Surety Companies and Bail Bonds..... 162
Surety Companies and Tax Law Interpretation in Kentucky..... 277
Surety Companies and the Brokerage Question. 192
Surety Companies Confer for Uniformity of Practice 91, 118
Surety Companies Conference in New York on Reserves.....313, 328
Surety Company of America, Organized..... 176
Surety, Corporate, Benefits of.....61, 290
Surety Executives, Conference of, in Philadelphia 377
Surety Underwriters' Association of America, Annual Meeting..... 392
Surety Underwriters' Association of Richmond, Va., Organized..... 392
Surety Underwriters' Exchange of Omaha, Election of Officers..... 238
Surety Underwriters Organized in Various Cities 176
Surgery, Modern, in Relation to Accident Insurance 239
Surplus Line Insurance in Chicago..... 104
Sweeney, William N., Death of..... 289
Swindler, Insurance, Arrested..... 220

TAFT AND SHERMAN INSURANCE CLUB OF NEW YORK..... 307
Taft, William H., Defines Trusts in Restraint of Trade..... 72
Taft, William H., Insured by Lloyds of London 73
Tarbell, George E., Not Lost..... 247
Taxation, John F. Dryden on..... 398
Taxation of Insurance by Alabama, Action of the Insurance Commissioner..... 224

Digitized by Google

PAGE
Taxation of Insurance by Governments..... 29
Taxation of Insurance Companies for Fire Departments in Georgia..... 209
Taxation of Insurance in Wisconsin.....321, 339
Taxation, President Kingsley on..... 412
Taxation, Robert Lynn Cox on..... 395
Taxation of Life Insurance Discussed..... 321
Taxation, Life Insurance Discussed by Augustus C. Hone..... 453
Taxation, Life Insurance, General Conference Under the Auspices of the Association of Life Insurance Presidents..329, 385, 394, 418
Tax Commission of Maine Gathering Statistics. 233
Taylor, John M., on the Medical Examiner in Life Insurance..... 64
Taylor, Walker, on the Commissions Question in the South..... 111
Teams Theft Insurance Rates Increased..... 131
Teller, A. D., Newark, N. J., Death of..... 390
Temperance Fire Insurance Company on the Pacific Coast..... 390
Tennessee Insurance Commissionership..... 173
Tennessee Insurance Department's Ruling on Twisting 40, 273
Tennessee Life of Nashville, License to do Business 59, 325
Tennessee Tax Case and American Surety of New York..... 92
Teutonia of New Orleans, Absorption of the Germania of New Orleans.....89, 106
Texas Insurance Department and Enforcement of Unpaid Taxes..... 248
Texas, Opposition to the Robertson Investments, Law in.....102, 172, 245
Texas, Robertson Investment Law..... 19
Texas, Robertson Investment Law, Report on Its Effect by Robert L. Cox..... 265
Texas, Statement of Commissioner Love Regarding Robertson Investment Law..... 323
The *American Agency Bulletin*, Opposition to Advertisements in..... 205
The *American Underwriter* on the Death of Dr. Pierson..... 231
The *Baltimore Underwriter* on the Maryland Insurance Commission..... 127
The *Bankers' Magazine* on Federal Supervision of Insurance..... 126
The *Budget* of the Maryland Casualty on Liability Policy Forms..... 12
(The) *Business* of London on Dyspepsia As a Shortener of Life..... 248
The *Clic*, Company Paper of the Citizens Life. 450
Theft Policy, Residence.....23, 291
The *Glens Falls Now and Then*, Aphorisms of. 186
The Hartford *Times* on Yale University Insurance Course..... 272
The *Industrial Review* on Lapses Following Adjustments 130
The *Insurance Field* on Fire Insurance Expenses and Commissions..... 194
The *Insurance Field* on Re-election of Governor Hughes..... 103
The *Insurance Index* of London on Lloyds of London 78
The *Insurance Leader* on the Burning Line.. 47
The *Insurance Monitor* on Failure in Statesmanship 18
The *Insurance Press* on Life Insurances of the Millionaire Class..... 89
The *Insurance Report* of Denver on Competence in State Supervision of Insurance.. 95
The *Insurance Spectator* of London on Accidents to Airships..... 61
The *Insurance World* on Permanency of New Life Companies..... 171
The London *Daily Chronicle* on Insurance Against Unemployment..... 281
The London *Review* on the American Fire Insurance Business..... 314
The *Medical Record* on Life Insurance Under Weights 209
The *Monthly Bulletin* of the Fidelity and Casualty Company on Governor Hughes..... 185
The *Monthly Bulletin* of the Fidelity and Casualty on Workmen's Collective Insurance. 275
(The) *Mutual Interests* on Correlation Between Accidents and Age..... 174
(The) *Mutual Interests* on Educational Fund Policy 299
The Nashville *American* on the Southern Commissions Question..... 56
The New York *Commercial* on Life Insurance Legislation in New York..... 286
The New York *Insurance Journal* Purchased by Louis N. Geldert..... 172
Theodore W. Letton, Death of..... 273
The *Post Magazine* of London on Insurable Interest of Husband and Wife..... 10
The *Scientific American* on a 2,000 Foot Building 70
The *Standard Bulletin* on Agency Inspiration. 44
The Standard Insurance Directory for 1908.. 323
Thomas, John V., Death of..... 250
Tompkins, D. J., on Fidelity Insurance by London Lloyds.....101, 120
Tool Insurance, Carpenters'..... 237
Trading Stamps Game in Funeral Insurance. 447
Transfer of Suits to Federal Courts, Law Prohibiting in Louisiana Unconstitutional.... 412
Trans-Mississippi Life of Kansas City Organized 5, 73, 89
Travelers of Hartford, Agents' Conventions.. 77
Travelers of Hartford and the Liability Collections' Agreement..... 208
Travelers of Hartford, Endowment Contracts, New Option..... 187
Travelers of Hartford, Liability Forms, Revision of..... 34
Travelers of Hartford, Revised General Health Policy 221
Travelers of Hartford, Its Automobile Garage Liability Policy.....7, 61
Trimingham, R. N., Presentation to..... 191
Trinity Life and Accident of Dallas, Tex..42, 390
Truckman's Insurance Form Issued by Insurance Company of North America..... 277
Tuberculosis as an Industrial Disease..... 230
Tuberculosis Exhibition, International..... 388
"Twisting" Campaign in Tennessee.....40, 273
Twisting Case of Pierson and Burr Discussed. 53, 54, 217
Twisting Charged Against Northwestern Mutual Life Agents..... 39
Twisting, Evils of..... 215
Twisting Law in New York State..... 86

UNDER Average Risks, New Policy of New England Mutual Life for..... 147
Underhill, William W., Retirement from the Presidency of the United States Fire.... 326
Underweight, Influence on Mortality..... 209
Underwriters' Association of Kansas City and Multiple Agencies..... 89
Underwriters' Association of the Middle Department, Annual Meeting..... 428
Underwriters' Association of the State of New York, Twenty-fifth Anniversary Celebrated 349
Underwriters' Laboratories and Incandescent Lamps 72
Underwriters' Salvage Company of Chicago.. 360
Union Accident and Casualty Company of Philadelphia 10
Union Casualty of Philadelphia..... 377
Union Central Life of Cincinnati Back Tax Suits 308, 341, 358
Union Central Life of Cincinnati, Increase of Capital and Statements Regarding..... 125, 138, 145, 165, 249, 263, 274
Union Fire of Buffalo..... 218
Union Marine of Liverpool Not to Unite With Indemnity Mutual Marine of London... 42
Union National Life of America, Organization of 274
Union, The. See Western Union.....
United Firemen's of Philadelphia, Retirement from General Agency Field..... 127
United States Accident Association of Detroit Reinsured by National Casualty of Detroit 23
United States Annuity and Life of Chicago.. 190, 234
United States Casualty, Boston Branch..... 417
United States Casualty Elects Assistant Treasurer 106
United States Fidelity and Guaranty Company and the Colorado Insurance Department, Statement of Differences Between..... 150, 213, 225, 237, 310, 433, 452
United States Fidelity and Guaranty, Report of Examination by the Maryland Insurance Department 225
United States Fidelity and Guaranty, Report of Special Survey of, by Examiner Wolfe. 223, 286, 310
United States Fidelity and Guaranty, St. Louis Branch Office..... 326
United States Fire of New York, Election of a President 342
United States Health and Accident of Saginaw, Mich. 62, 77, 78, 328
United States Life, Report on the Examination of 217
United States Lloyds Barred from Mississippi 205
United States Mortgage and Trust Company's Stock Still Owned by Mutual Life of New York 172
United States Treasury Department and Surety Bond Rulings.....44, 107
United Surety of Baltimore.....9, 45, 77, 92, 131
Unusual Accidents ..7, 21, 43, 60, 74, 90, 106, 120, 149, 175, 191, 207, 219, 236, 250, 275, 290, 311, 327, 342, 360, 375, 391, 415, 432, 451
Use and Occupancy Suits in Chicago Decided. 338
Utah Association of Life Underwriters..... 389

VACATION Dangers Without Insurance.... 22
Valuation of Fixed Term Securities, Otto Kelsey on 155
Vanderveer, George A., Death of..... 106
Van Laningham, O. L., Plans for a Million Dollar Company 219
Van Rensselaer, John K., Death of..... 311
Vermont Association of Local Fire Insurance Agents, Annual Meeting..... 338
Vermont Insurance Commissioners Elected... 20, 190
Virginia Firemen's Benefit Act to Be Contested in the Courts..... 414
Virginia Life Insurance Valuation Requirements 429
Volcanic Eruption Clause in Pacific Coast Fire Policies 202

WALLA WALLA FIRE of Washington.. 6, 106, 128, 414, 430
Warner, Edward G., Atlanta..... 414
Washington Life of New York, Control of Purchased by the Pittsburgh Life and Trust 222, 234
Washington Life of New York and Lower Premium Rates 148
Washington Life of New York, L. Walter Sammis Becomes Chicago Manager..... 59
Washington State Insurance Department..148, 388
Waste Paper Room Fires..... 189
Watchman, Night, Failure of Insured to Employ 204, 205
Water, High Pressure System of New York City at Work (two paragraphs)..... 204
Webster, Franklin 360
Webster, George H., Death of..... 274
Weight and Overweight of Human Bodies... 209
Westchester Fire and the California Fire..7, 189
West Coast Life of California, Its Colorado License Revoked 20, 89, 103
Western Central Fire of Nashville, Tenn.... 389
Western Factory Insurance Association..... 234
Western Fire and Marine of Oklahoma City, Its Headquarters Disappears..... 147
Western Life and Accident of Minneapolis Organizing 390
Western Life Indemnity Company Litigation. 387
Western Life Insurance Companies, A Message from 385, 400
Western of Pittsburgh, Election of a President 359
Western Reserve Insurance Company, Increase of Capital 374
Western Union and Amendment of Commission Rule 248
Western Union and Dwelling House Forms.. 249
Western Union and the Analytic Rating System 449
Western Union and Lumber Schedule..... 42
Western Union, Annual Meeting at Frontenac, N. Y.....105, 194
Western Union Commission Rule..... 232
Western Union, Standing Committees..... 232
Wessels, Edward J., General Agent, New York 326
Wheeler, W. E. A., Scranton, Pa..... 374
Whilden & Hancock, New York.....72, 430
Whiskey Losses in Kentucky..... 372
Whiskey, Test of Inflammability of..... 412
Whiskey Warehouse, Bonded, Fire Loss..... 104
Whitman, William, Boston..... 428
Williamsburgh City Fire, Western Department Successful 41
Williams, Mark D., Death of..... 7
William Penn Fire of Pittsville, Pa., Organized 21
Wimberly, Alfred T., Death of..... 129
Wingo Act Upheld by Arkansas Supreme Court 272
Winnipeg, Manitoba, High Pressure Water System 21, 173
Wisconsin Anti-Discrimination Law, Opinion by Attorney General on..... 448
Wisconsin Association of Local Fire Insurance Agents and Advisory Rating Bureau. 90
Wisconsin Association of Local Fire Insurance Agents, Annual Convention..... 72
Wisconsin Field Men's Club, Election of Officers 289
Wisconsin Industrial Accidents..... 251
Wisconsin Insurance Commissionership, Election Canvass for.....104, 229, 248
Wisconsin Insurance Law and Withdrawing Life Insurance Companies' Reports....5, 57
Wisconsin Insurance Laws, Proposed Changes in 372
Wisconsin Life and the Wisconsin Law Affecting Election of Officers..... 387
Wisconsin Life Insurance Legislation Discussed 1
Wisconsin National Life of Oshkosh Begins Business 206, 234, 273, 448
Wisconsin Politics Discussed..... 160
Wisconsin Political Platforms on Life Insurance 224
Wisconsin State Tax Commission.....321, 339
Wise, E. P., Death of..... 219
Wolf, E. Myron, on Government Supervision of Insurance 163
Wolfe, S. H., and United States Fidelity and Guaranty Controversy 286
Wolfe, S. H., Company Examinations by.... 7, 8, 275
Worden, James H..... 451
Workmen's Collective Insurance..... 275
Workmen's Insurance System of Germany... 233
Workmen's Old Age Insurance Proposed in Wisconsin 389
Wood, D. Smith, Newark, N. J., Death of... 390
Wray, A. H., Twenty-fifth Anniversary of His Connection with the Commercial Union 191
Wrenn, George L., Death of..... 274

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PAGE

YALE UNIVERSITY Insurance Course... 272
Young, Edward W., Death of..... 129

ZARTMAN, PROF. LESTER W., on Life Insurance Taxation 397

INSURANCE STATISTICS—OFFICIAL REPORTS.

INSURANCE DEPARTMENT REPORTS OF 1908.

Arkansas Insurance Report..... 418
Hawaii Insurance Report..... 393
Minnesota Life Insurance Report..... 434
Nebraska Insurance Report..... 434
New Jersey Life Insurance Report..... 393
New York Life Insurance Reports..... 292
North Carolina Insurance Report..... 434
Massachusetts Fire Insurance Report..... 32
Massachusetts Life Insurance Report..... 177
Pennsylvania Life Insurance Report..... 322
South Dakota Insurance Report..... 453
Texas Insurance Report..... 393
West Virginia Insurance Report.....435, 448

STATISTICS OF BUSINESS 1908.

Fire Losses in the United States and Canada, Last Six Months of 1908....18, 87, 187, 247, 323, 410
Manhattan and Bronx Fire Insurance Premiums 73

INSURANCE LEGISLATION.

California, Special Commission on Standard Fire Policy 433
Georgia, Employers' Liability (Perry)..... 33
Georgia, Establishing Insurance Department (Barksdale) 33
Georgia, Investment in Georgia Securities (Wise) 33
Georgia, Prohibiting Advisory Board Contracts (Williford) 78
Georgia, Prohibiting Misrepresentation (Barksdale) 10
Georgia, Providing for the Incorporation of Mutual Companies (Howell)..... 45
Georgia, Summary of Legislation..... 131
Indiana, Special Session 222
Louisiana, Amending Act Regulating Fire Insurance (Moise) 46
Louisiana, Bank Deposit Insurance Bill (Young) 10
Louisiana, Commissions of Fire Insurance Agents (Favrot) 10, 34, 46
Louisiana, Commissions of Fire Insurance Agents (Kaliski).....46, 54
Louisiana, Construing Warranties of Fact in Fire Policies (McCulloch)..... 46
Louisiana, Deposits of Life Insurance Companies (Henriques) 46
Louisiana, Exempting from Taxation Loans Made by Life Insurance Companies to Policyholders (Cordill) 46
Louisiana, Making Life and Endowment Insurance Policies Non-forfeitable (Lagarde) 46
Louisiana, Medical Examination and Right to Claim Forfeiture for Misrepresentation (Wall) 46
Louisiana, Permitting Division of Commissions with Outside Agents (Kaliski)..... 46
Louisiana, Prohibiting Coinsurance Clause (Barrett) 34, 45
Louisiana, Prohibiting Life Insurance Discrimination and Special Contracts (Kaliski) 46
Louisiana, Prohibiting Transaction of Business by Unauthorized Companies (Wimberly). 10
Louisiana, Prohibiting Fire Insurance Companies from Paying Extra Compensation to Adjusters (Oeschmichen) 34, 46
Louisiana, Prohibiting Business by Unauthorized Corporations (Kaliski)..... 46
Louisiana, Proof of Loss Blanks (Wimberly) 34
Louisiana, Protecting Policyholders Against Unscrupulous Agents (Wall)..... 10
Louisiana, Providing for Organization of Insurance Companies on the Stock Plan (Atkinson) 46
Louisiana, Providing Manner of Organizing Mutual Life Companies (Richardson)... 46
Louisiana, Providing for Insurance in Unauthorized Companies (Kaliski)..... 46
Louisiana, Requiring Fire Companies to Furnish Proof of Loss Blanks (Wimberly).. 46
Louisiana, Requiring Insurance Companies to Give Bonds for Payment of Claims (Wimberly) 34, 45
Louisiana, Summary of Legislation.....34, 45
Louisiana, Valued Policy (Fierlow)..... 46
Vermont, Anti-Rebate..... 453
Vermont, Employers' Liability.....345, 433
Vermont, Governor's Message..... 254
Vermont, Insurance Committee.....292, 377
Vermont, Misstatements in Policy Application (Sherwin) 362
Vermont, Mortuary Funds of Live Stock Insurance Companies (Butler)..... 292
Vermont, Prohibiting Brokerage Commissions to Agents (Gleason)..... 313
Vermont, Valued Policy (Sherwin)..... 313
Vermont, Valued Policy (Hyde)...345, 362, 453

INSURANCE IN THE COURTS.

TABLE OF CASES.

Alexander *vs.* the Fidelity and Deposit..... 221
Almond *vs.* Modern Woodmen..... 271
Beveridge *vs.* the Equitable Life..... 214
Boswell *vs.* Security Mutual Life.....410, 428
Buffalo Commercial *vs.* Chicago, Milwaukee & St. Paul Railway..... 411
Dresser *vs.* Hartford Life..... 449
Duke *vs.* the Portland Gold Mining Co..... 237
Fidelity & Casualty *vs.* Gilbane & Bro..... 61
Frisbie *vs.* the Fidelity and Casualty Co..... 313
Gish *vs.* the London and Lancashire..... 309
Grand View Building Association *vs.* the Northern of London..... 339
Houlihan *vs.* Preferred Accident..... 149
Hyde *vs.* the Home Life..... 309
Illinois Anti-Trust Suits..... 269
Kansas Anti-Trust Suits 389
Kimmel Life Insurance Case..... 307
Luckett Wake Tobacco Co. *vs.* Fire Insurance Companies 449
McCue *vs.* Northwestern Mutual Life....337, 340
McFadden *vs.* Liverpool and London and Globe 71
Mercantile Trust Co. *vs.* Texas and Pacific R. R. Co. 412
Northwestern Fire and Marine *vs.* Connecticut Fire 247
Pacific Union Club *vs.* the Commercial Union. 341
Pearlman *vs.* Metropolitan Surety..... 130
Phillips *vs.* the Home of New York..... 342
Port Blakly Mill Co. *vs.* the Hartford Fire.. 306
Roth Tool Co. *vs.* the New Amsterdam Casualty 220
Semple *vs.* Continental Casualty..... 328
Spence *vs.* Central Accident Association..... 308
Spring Garden Insurance Co. *vs.* Miller..... 187
Spry Lumber Company *vs.* Eagle Fire..... 272
Steger *vs.* Sun Fire Office.....288, 323
Texas, State of, *vs.* John Hancock Mutual Life 388
Union Central Life Tax Suits by Hamilton County, O. 308
Western Life Indemnity *vs.* Moulton *et al.*. 387
Whittier *vs.* Washington Life..... 372
Woods *vs.* Equitable Life..... 342

TABLE OF SUBJECTS.

Additional Accident Insurance..... 328
Age in Application..... 308
Agents' Commissions Under Section 97, Armstrong Law, No Retroactive Limitation of 410, 428
Agent's Power to Bind Company..... 339
Annuities, Application of General Law of Average to 215
Automobile Owner's Liability..... 60
Breach of Warranty..... 220
"Burning Building" Clause in Accident Policy 149
Duty of Insured to Extinguish Fire..... 373
Employers' Liability Law, United States, Invalid 237
Employer, Liability of, for Acts of Servant.. 237
Explosives Stored in Excess..... 288
Insurable Interest in Mother..... 342
Market Value of Cotton 71
Married Woman as Surety on Bond..... 417
Murderer, Insurance on Life of.....337, 340
Night Rider Losses.....288, 323, 449
Non-Waiver Agreement..... 309
Payroll Audit 61
Plate Glass Insurance, Cancellation of..... 313
Policy Must Be Taken When Delivered..... 288
Responsibility of Railroad for Fire..... 411
Riot Clause in Policy..... 449
Subrogation 221
Suicide Clause 271, 309
Surplus for Reinsurance..... 247
Taxation of Surety Companies..... 277
Use and Occupancy..... 338
Value of Goods, Determination of..... 342
Written Contract 272

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CHARLES A. JENNEY, President and Treasurer. L. ALEXANDER MACK, Secretary.

A MILWAUKEE daily newspaper has information from the State capital that the desperate life insurance companies which withdrew from Wisconsin upon the passage of reform legislation in 1907 will make an effort to secure its repeal next year. The informant is quite sure that the public is so well satisfied with the operation of the new law that a movement so malign will fail, and that Wisconsin is happy in the possession of enough licensed companies to do its insurance business without holding out inducements for the outsiders to return. Still there is to be a battle. We believe it. The question of the proper relations of the State to life insurance will never be settled until it is settled right. The companies which have continued business in Wisconsin, through necessity or by reason of concessions, will have cause to prepare to fight still more radical legislation when the next session begins, for the Ekern reconstructionists are giving out threats of their intention to force the enactment of the pernicious valuation and policy schedule bills which were defeated at the last session. Worse still, the purpose of attacking the industrial life insurance business is foreshadowed in the report of the Insurance Commissioner, in the following paragraph:

> It is well known that the expense of the industrial business is very large in proportion to the benefit furnished. The provision for expenses is almost, if not quite, double that in the ordinary business. The policyholders are persons of limited means, and their protection is a very pertinent subject for careful consideration.

The warning comes none too soon for preparation.

THE discussion of the conflagration hazard of the city of New York has taken a sudden turn, and now, from the expression of apprehensions that defective construction, inordinate height of buildings and inadequate water supply may precipitate at any time a Chicago or San Francisco clean sweep, which will bankrupt the fire insurance capital of the world, opinion—among some experts—has flown to the other extreme of complacent optimism. It comes about by the successful test of the new salt water high pressure system in lower Manhattan this week. One day the pressure at the pumping stations was let on. Twenty-four streams were working at once, and the roof of a twelve story building was reached with ease. There was water enough to overwhelm any given point, and keep it rushed indefinitely. The result of the test, according to Chief Croker, "precludes the possibility of any large conflagration in this city. With a concentration of pressure such as we had today we can control any blaze in a short time." This is truly reassuring, and should take all the nervousness out of the conservative old underwriters of the Fire Insurance Exchange and New York Board, and send them to their summer cottages with abiding peace in their hearts. A further remarkable change in the fire fighting conditions of the metropolis is prognosticated by the experts. "The test will, I think," says Deputy Chief Loughman, "prove to be an end of the steam fire engine." Another deputy chief is quoted as saying: "The day of the steam engine will soon be past. The pumping stations will eventually supplant them, and will lead to the establishment of such stations throughout the city. The disadvantages of the engine are becoming every day more manifest. The delay in the fuel, the time lost in getting up steam and other delays all were causes of the spread of fires. With the pressure controlled by a turn of the hand flames will be more quickly extinguished." Even the skyscraper is to be practically immune under the new system. Standpipes in buildings taller than twelve stories will make it possible that a fire in the top of one skyscraper may be fought from the roof of its nearest neighbor. This means that the safety of the forty-one story Singer Building may be assured by the sixty-two story Equitable Building. These are the days of wonders, and not the least among them is the salvation of New York by its inexhaustible rivers, running at easy distance on both sides, and giving forth a deluge at the beck of the fire department chief. Underwriters should look into this.

THE dissatisfaction with fire insurance commissions in the South is taking the form of a series of local émeutes rather than of a general revolution, and there are signs that the steadfast attitude assumed by the companies will bring the movement to an early termination. But not without some trouble in the legislatures. Anyone can introduce a bill, of course, and it will have to be opposed. In the Louisiana Legislature on Monday Senator Favrot put in a bill "prohibiting discrimination on the part of fire insurance companies against local agents in the matter of commissions." That is, agents in Alabama must not be paid a lower commission than is paid, for instance, in Tennessee. A similar bill is reported as ready for introduction in the Georgia Legislature. The temper behind these bills was displayed in the action of the Selma local board, which was reported in our columns last week. The board adopted a resolution directing its secretary to notify the companies transacting business in Selma that "from and after thirty days after this notice Selma agents will no longer be bound by the fifteen per cent. agreement." The need of checking these evidences of insubordination appears to be felt by the president of the South Eastern Underwriters' Association, "who has addressed a deprecatory communication to such local agents' associations as have asked to be relieved from their commissions pledge and bids them be wise." He is satisfied that a large proportion of local agents—many of whom are not association members—are contented with existing condi-

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tions, and would oppose any disposition to disturb them. It is certain that no movement for increased commissions can hope for success unless it is a general one, and so long as it is sporadic the companies can maintain the master hand. Indeed, so confident are they in the strength of their position that one prominent underwriter has made the suggestion that now is the propitious time to reduce commissions to the fifteen per cent. basis in Tennessee by abolishing the graded commission system, which was fastened on that State when it was a part of the Western Union territory. This champion of a counter movement against increased commissions writes:

An excellent opportunity now presents itself to undo the error of the past. In view of legislation in Tennessee, the Western Union has relinquished jurisdiction. The State laws affect only rates and certain restrictive clauses. There seems to be no reason why, with regard to other matters, including commissions, Tennessee should not be taken into the territory of the South Eastern Underwriters' Association. Action of this kind on the part of the South Eastern Underwriters' Association would automatically reduce commissions to fifteen per cent., where they belong, and would, in my judgment, go a long way toward convincing agents in the remainder of the South of the justice of the position which the companies recently took on the question of commissions at the Atlantic City meeting of the South Eastern Underwriters' Association. An additional reason why Tennessee is not naturally Western Union territory is found in the fact that out of forty-six Western Union companies doing business in the State only nine have jurisdiction in Tennessee through their Chicago departments.

So bold a defiance to the "insurrectos" indicates a faith in the brawn of the companies that bodes no good to the movement for increased commissions in the South.

Facts and Opinions.

To **Hartford,** the city of insurance, must be given the credit of organizing the **first insurance institute** in the United States, the form of organization being one that has been eminently successful, both in England and in Canada. The matter was first suggested by Benedict D. Flynn, assistant actuary of the Travelers insurance company, at the April meeting of the Travelers Club, and met with so much favor that steps looking toward the beginning of a permanent organization were then taken. The various insurance clubs to which the matter was explained thought the idea of Mr. Flynn a good one, and as a result a meeting was held at Hartford on Monday evening of this week, attended by about 100 representatives of the various companies. Louis M. Denniston, of the Travelers, presided, and gave a brief résumé of the workings of an institute, the idea being to educate the employees of the insurance companies and the agencies by lectures and study and discussions, so that they may become more interested and valuable in their business, something desirable for both employers and employed. The idea is similar to that which gave birth to the American Institute of Bank Clerks. The social features will not be lacking, and Mr. Flynn explained that these were a leading part of the activities of the organization, as operated in Toronto, where he had observed its workings. An executive committee was elected to draw up a constitution and bylaws, and to prepare a slate of officials also to look into the advisability of holding examinations. This committee will so arrange matters as to give the organization an early start in the fall. Mr. Flynn has pointed out that the success of the plan depends to a large degree upon the formation of institutes in other cities. There are about 3,000 insurance people in Hartford and nearby towns, and a satisfactory nucleus for a promising organization should be easily provided. To effect the organization a committee of three was appointed to frame a list of officers, the committee being J. W. H. Pye, of the Travelers; Charles F. Scholl, of the Orient, and Capt. William H. Talcott, of the Scottish Union. This committee reported back the following general committee on organization, which was elected: General member, L. N. Denniston; casualty insurance, A. D. Risteen, Hartford Steam Boiler, and Benedict D. Flynn, of the Travelers; life insurance, Gen. J. H. Jarman, of the Connecticut Mutual Life, and Charles E. Johnston, of the Phœnix Mutual Life; fire insurance, J. Vincent Fothergill, of the Orient, and Harry A. Tuttle, of the National; agencies, Edgar J. Sloan, of the Ætna Fire, and Guy B. Hinckley, of the Ætna Life. In New York city the nearest approach to anything along institute lines is the Insurance Society of New York and the Barebones Alumni Association, both of which organizations believe in mingling instructive and social features for the betterment of the insurance business.

Fire underwriters in every locality who have money at risk in the congested district of **New York city** are interested to learn of the practical **completion** of the **high pressure salt water system** which is to afford protection to this district of high values and dangerous hazards. Last Sunday morning a test was held on West street, between Gansevoort and Bank streets. It was conducted by the Fire Department and the Department of Water Supply. The two pumping stations, located respectively at Oliver and South streets and at West and Twelfth streets, were operated to supply the pressure. The Oliver street station still lacks two pumps to complete its equipment of five. The Twelfth street station has five pumps. Each pump in each station has a capacity of not less than 3,000 gallons per minute. When the fire valves were opened Sunday morning a single pump operating from the Oliver street station threw 300 pounds into the hydrants. Then, as it reached that notch, the other pumps in rotation were started until the maximum of power had been attained in three pumps of each station. So satisfactory was the test that it has been decided to put the service into permanent use, beginning Monday morning at 8 o'clock. The system up to the present includes the area between Chambers and Twenty-third streets, except for a small strip lying between the Bowery and Lafayette streets, where excavations are being made for the Subway loop. The city engineers have satisfied themselves that the Chambers street main is sufficiently braced where it crosses this excavation. The little doubt which has lingered in the minds of the insurance men over the matter of telephone connections for giving the alarm to the pumping stations can now be dispelled, as it is learned that since Sunday a complete telephone connection has been installed, with 214 boxes, along the entire system. Each pumping station is supplied with a fire gong, and as soon as an alarm is sounded the pumps will be started. It will be the duty of the first fire official who reaches the scene of a fire to notify the pumping station of the amount of water and the pressure required. The statement of one of the fire chiefs recently that the day of the steam fire engine is past need cause no anxiety. For the present none of the fire engines in the high pressure zone will be removed, but if the system is successful in its workings they may be taken to other parts of the city. There still remain some steps to be taken in the maater of equipping the firemen with proper hose and nozzles, etc., for handling the system. A nozzle, with a blade to give a twist to the stream, thereby preventing its spraying off too soon, is strongly recommended.

Plans for a **sixty-two story building,** on the present site of its home office at 120 Broadway, New York, have been filed by the **Equitable Life Assurance Society** with Building Superintendent Murphy, of New York city. The plans were prepared by D. H. Burnham & Co., a firm of Chicago architects, and have been submitted to the building department for

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approval. How soon the structure will be built is a debatable question. The plans call for a building thirty-four stories high, or 489 feet, with a square tower of twenty-eight stories, which will be 420 feet high, making the building 909 feet in height. A flagpole, 150 feet high, will surmount the tower. The frontage on Broadway will be 167.1 feet; on Nassau, 152.3; on Pine, 304.2, and on Cedar street, 312.3 feet. The tower will be capped with a cupola. The façades are to be of brick and granite, with trimmings of terra cotta. The design will be of the Renaissance type, presenting bays set between great pilasters of Corinthian and Doric pattern, the corners being offset with clustered columns. The bays will be elaborately decorated with carved work. The roof of the main building will be finished with cupolas several stories high, set around the base of the tower. The tower structure will be in two sections, one section extending from the thirty-fourth to the forty-ninth story. The main cupola extends four stories above this. There will be thirty-eight passenger elevators, eight of which will run to the tower extension. There will also be freight elevators. It took fifty-eight huge drawings to submit the building plans to the department. The cost will be $10,000,000. As the Singer Building is only 612 feet high and the far famed Metropolitan Life's tower only 695 feet, it will at once be seen what a monster it is purposed to construct. The Eiffel Tower in Paris, which is 984 feet above the ground, is the only building which will be higher. The present Equitable Building was built in 1860, and at that time was one of the wonders of New York. It was remodeled and enlarged in 1886. The following statement was given out by President Morton in regard to the company's plans for the new skyscraper:

The plans for the new building to be erected on the site of the present Equitable Building have been worked out by Messrs. Daniel H. Burnham & Co., architects, of Chicago. The society has not yet definitely settled when it will begin work on the new building, but there seems to be no reasonable doubt that as soon as certain important matters now pending are settled the new construction will probably be commenced. It seems to be the consensus of opinion of those in authority at the Equitable that the lot on which the present building stands is too valuable to be without a modern structure.

At the sixty-third annual general meeting of the shareholders of the **Royal insurance company,** held at Liverpool on June 16, the directors reported receipts of fire insurance premiums of £3,670,217 in 1907, and net losses of £1,758,766. After charging agents' commissions and all management expenses the surplus on the fire business amounted to £653,-038, of which £100,000 has been added to the fire fund, and the balance, £533,038, is carried to profit and loss. The chairman of the company, Mr. William Watson, in speaking of the year's fire underwriting, said:

The year should be regarded as one of satisfactory profit in our fire department. In fact, it is in excess of what should be regarded as normal, and is one of the fat years which we expect and require from time to time in order to maintain a fair average. Our premium income shows a healthy growth of over £200,000, while our loss ratio is moderate, being well under 50 per cent., actually 47.9, and the surplus of £653,000 odd, which is the result of the year's operations, is more than sufficient to recoup the adverse balance of £413,000 on the previous year's working, caused by the San Francisco conflagration of April, 1906. In order to maintain our fire fund at the same proportion we have added £100,000 out of the year's surplus, carrying the balance, £553,000, to profit and loss. The only exceptional feature of 1907 was the conflagration at Kingston, Jamaica, consequent upon the earthquake, which occurred on the 14th of January. I referred to this at our last annual general meeting, and there is little to add to what I then stated. The disaster, which unfortunately caused such serious monetary loss and great distress to the unfortunate inhabitants, was one which we hold does not come within the protection of a fire policy, and although this view of the matter was not accepted by policyholders, it is, in the opinion of the legal advisers of the companies, unquestionable. As the inevitable result, the law courts have been called upon to adjudicate, with the result that the claimants have been successful in Jamaica and the companies in this country. The Jamaican verdicts are to be appealed against, and as the matter is therefore sub judice I can offer no comment, but it will, I am sure, be a matter of satisfaction to you to know that full and ample provision has been made in our accounts, as, following our invariable practice, we prepare not only for probabilities but also for possibilities. With regard to the claims which have been put forward consequent upon the Valparaiso earthquake of August, 1906, I have only to say that full provision has also been made in that case for every contingency.

Sensational legal proceedings in connection with the winding up of the affairs of the **National Assurance Company of Ireland** are mentioned as follows in the London *Post Magazine* of June 20:

An unpleasant sequel to the events of the last few years is being enacted at Dublin, where Mr. Justice Andrews and a city special jury have been engaged since Wednesday, the 10th inst., on the case of "Corrigan vs. Read," an action brought in the King's Bench Division by Patrick William Corrigan, an alderman of the Dublin Corporation, against Edward Robert Read, a director of the National Assurance Company of Ireland. The object of the action is to recover damages for loss sustained by reason of the defendant having, it is alleged, as a director, "fraudulently prepared and published for and to certain meetings of the shareholders in the said company certain false, fraudulent and misleading accounts, balance sheets, reports and statements, whereby the plaintiff was induced to subscribe for and take certain shares in the said company, and pay certain deposits, calls and instalments of the purchase money thereof." The plaintiff alleges reckless and negligent management of the company's business by the defendant as a director of the company; also that the defendant conspired with certain other directors of the company, and other persons, by false statements and declarations, and payments of dividends, which had not been earned, to misrepresent to the public, and to the plaintiff, and the other shareholders of the company, the true state of the affairs, and thereby to have the shares of the company quoted and sold at fictitious prices, and to sell their own shares, or the shares of relatives and friends, at such fictitious prices, and far beyond the value thereof. The £9,550 5s. 3d. damages claimed comprises: £550 5s. 3d. paid by the plaintiff for shares, £6,000 paid in respect of calls on shares; estimated amount that may have to be paid by the plaintiff for a further call, £3,000. Interest on these sums is also claimed. The defense is a traverse of the matters alleged in the statement of claim, and a plea that the claim is barred by statutory limitation. No fewer than eight counsel are engaged for the opposing parties, and the court sat on the 10th, 11th, 12th, 16th and 17th inst., the witnesses heard including the liquidator of the company, Mr. A. G. Mackenzie, F. I. A. On the 17th the case for the plaintiff closed and that for the defense opened. The plaintiff, by the way, is one of the directors of the new Irish office, the Hibernian Fire and General insurance company.

The American Agency Company, the representative in the Virginias, Maryland and North Carolina of the **Spring Garden,** has notified its agents, through President Paul Turner, to **close** their **agencies** and return the supplies of the Spring Garden to the home office. Immediately this occurred President Porter, of the Spring Garden, wired the various local agents that President Turner had no authority to take such action, and directing them to keep their supplies and continue their business pending other arrangements. The outcome of the trouble will be eagerly awaited. President Paul Turner, of the American Agency Company, has made a statement explaining how in June, 1907, the Agency Company became the field representative of the Spring Garden for Maryland, Delaware, District of Columbia, West Virginia and Virginia with an overriding commission and contingent fee upon the net profits of the business done in the territory. On April 7, 1908, the State of Delaware, the city of Baltimore and the District of Columbia were withdrawn from the contract without explanation of any sort. President Turner says he received on June 19, 1908, a letter from the Spring Garden, cancelling his entire contract on thirty days' notice. He claims that as he had established the agencies he alone had the right to take them up, so when his agency contract was cancelled he promptly notified his agents to close their offices and return their supplies. Mr. Turner says that previous to the cancellation of his contract a man had been sent from the Spring Garden's home office, apparently to get in touch with the field men before the projected break occurred.

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Some **Southern local agents** continue to show their resentment of the action of the South Eastern Underwriters' Association in refusing to grant their request **for increased commissions.** A number in Atlanta asked for the return of their commission agreements, and were notified by President Harris, of the association, that the agreements made between the individual agents and the companies were held by the association merely as custodian, and that it had no right to surrender them. The attention of the agents was called to the demoralization that would follow the suggested departure from the 15 per cent. commission agreement, as under the rules the companies would be compelled to withdraw from all agencies in which companies paying more than 15 per cent. were represented. The Georgia agents are reported to be preparing a bill to be submitted to the Legislature, now in session, barring from the State companies which pay higher commissions to agents in other States than they do in Georgia. In Tampa the local agents were asked by the city council to suggest a man for chief of the fire department, and replied that they had no interest, now that the companies had turned them down on the commission question. The Tampa board is also reported to have passed a rule advising local agents to favor non-board companies as far as possible in placing business. Such action is deprecated, of course, by the conservative agents, who claim that the South Eastern Underwriters' Association had no authority to change the commission basis unless explicitly so authorized by the companies themselves.

The recent fire which destroyed Pier No. 32, East River, New York, presented several puzzling problems to the firemen who tried to fight the blaze, and for this reason Dock Commissioner Spooner has been giving considerable attention recently to the question of **better fire protection for piers.** In the above mentioned fire the flames were all underneath the structure and inaccessible to the firemen, even by means of boats, as it will be remembered that those who attempted this method of getting at the flames accomplished nothing and nearly lost their lives in the bargain. Commissioner Spooner's new idea is to place 6 inch pipes a short distance below the decking of piers, so perforated that when water is forced through them at high pressure it will effectively spray the whole of the sub-structure. These pipes will extend the whole length of the piers, with suitable couplings at both the outer and inner ends, so that the water may be supplied by either a fire engine or a fireboat. The scheme was tried the other day on one of the recreation piers, and the results are said to have been thoroughly satisfactory. It is further planned to have hatchways, suitably covered, of course, through which the firemen can get down to platforms under the piers and fight a fire to some advantage.

A meeting and banquet of the **Life Underwriters' Association of New York** was held on Tuesday evening at the Manhattan Beach Hotel. Covers were laid for sixty, and President Robert H. Hardy presided. A new treasurer was elected in the person of C. A. Wardle, of the Phœnix Mutual Life, to succeed S. M. Hard, of the Washington Life, resigned. Resolutions were drawn up commending the work of the late Grover Cleveland for the business of life insurance, which were ordered to be suitably engrossed and sent to Mrs. Cleveland. Delegates and alternates to the annual meeting of the National Association of Life Underwriters in Los Angeles were elected as follows: George A. Brinkerhoff, Conrad Dykeman, Byron A. Beal, Dr. F. S. Grant, Robert H. Hardy, Warren T. Diefendorf, Richard E. Cochrane, George H. Smith, Charles E. Reed, William C. Johnson, Henry C. Steiglitz, Samuel S. Boshell; alternates, Tilden Blodgett, E. W. Lee, D. G. C. Sinclair, W. E. Wilkinson, J. S. Myrick, William Harlan Page, Herman Leroy, Curtis H. Bowne, Theodore P. Johnson, C. A. Wardle, Roger Turner, Thomas C. Bell and George Lucas.

The increased rates ordered by the Supreme Council of the **Independent Order of Foresters** go into effect October 1, 1908. They apply to old as well as new members, the old members to be rerated according to age of entry instead of attained age. Any unable to pay the higher rates may borrow the additional premium from month to month, to be charged against the policy as a lien with 4 per cent., or may accept a new policy for an amount proportionate to the old premium, and continue to pay the former rate of assessment. The executive council was instructed to ascertain the mortuary experience of the order for at least twenty years, and report it to the next Supreme Court, and to levy an extra assessment whenever the accumulated funds fall below $40 a member. The new rates are a compromise between those proposed by Supreme Chief Ranger Stevenson and those who wanted a straight advance. The salary of the Supreme Chief Ranger was fixed at $15,000 a year, the Supreme Secretary being cut $2,000 and the Supreme Treasurer $3,000.

The **chief** of the **Budapest, Hungary, fire department,** Steven Joseph Adam, has been in New York city for the past month to get up to date ideas for fighting the flames across the water. He has worked as a member of Hook and Ladder Company No. 18 in Attorney street for the past week or so. In a few days he will join the crew of the fireboat New Yorker, and for two weeks will watch how fires are fought along the water front. It took the Hungarian fire chief several days to become accustomed to the rapidity with which the New York companies answered alarms. After seeing how things are done in New York Chief Adam will proceed to Chicago, and later visit some of the other large cities of the United States. He is accompanied by his wife and son. The chief is a fine figure of a man, being a giant in stature and weighing 230 pounds.

The **Connecticut General Life** of Hartford, through its New York managers, Goulden & Millar, is pushing its **eighteen payment life policy,** which it claims costs less than the twenty payment life policies issued by most companies. The rate for age thirty is $32.96. The policy is non-forfeitable and incontestable, with surrender values payable annually after the two years. It provides for automatic extended insurance after the second year, and participates in the surplus annually, while the dividends may be used in the reduction of premium; to purchase additional full paid insurance; to purchase pure endowment, payable in ten, fifteen or eighteen years; as a deposit with the company at 4 per cent. compound interest, or to accelerate the time of maturity of the policy.

At the recent meeting of the executive committee of the **South Eastern Underwriters' Association** the five fire insurance companies of North Carolina which had been paying less than the uniform assessment made on members of the association withdrew from the organization. At the recent annual meeting at Atlantic City, these North Carolina companies, some of which only operate in one State, objected to paying an assessment on an equal basis with the big companies. The association, however, thought that the assessment should be made uniform, and that no further concessions in assessment should be made, and voted accordingly. The

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retirement of these companies from the association was therefore a foregone conclusion.

The sparrow hazard is now being studied by fire underwriters. A fire was discovered recently in the cupola of St. Anthony's Church at Evansville, Ind., 200 feet above the ground, caused by a sparrow's nest. The elevator of the Melrose Milling Company at Fort Branch, Ind., was destroyed by fire starting in a sparrow's nest, and property owners are warned against the hazards of leaving open ventilators without screens. In another case a sparrow built its nest behind an electric transformer, where any break of the circuit would have set fire to the building, and another case is reported where a sparrow flew to its nest with a piece of burning string from a bonfire, starting a fire which caused serious damage.

In connection with the report of E. P. Boone, superintendent of the sprinkler department of the New York Fire Insurance Exchange, showing that the recent fire in the **cold storage warehouse of Abraham & Straus,** in Brooklyn, was a $500,000 affair and not a $3,500 loss, as originally believed, the form of cold storage receipt used may be interesting. A person who turned over his furs to the company for safe keping received a receipt in which the possibility of loss by fire was referred to in the following manner:

In the event of damage by fire or water the basis of settlement shall be the same as agreed upon between the insurance companies and ourselves, and we shall not be responsible beyond the value named in this receipt in case of total loss from fire or other cause.

The **Ohio Association of Local Fire Insurance Agents** at its twelfth annual meeting at Toledo, June 30, elected the following officers: J. S. Elliott, Springfield, president; W. I. Keifer, Findlay, second vice president; V. D. Butman, Fremont, second vice president; Miss L. M. Foster, Columbus, secretary-treasurer. Among the resolutions adopted was the following:

Resolved, That the entire system of rate making with the schedules and the results of their application should, in all cases, be open to the inspection of the insuring public and the local agents, and we express the hope that some day agents and assured, distant from the inspection centres, may have easier access to the schedules, and thereby a more complete acquaintance with the hazards and conditions which exist, and which go to make up the advisory estimates.

Of the working of the **new Wisconsin life insurance laws** Second Vice President J. W. Skinner, of the Northwestern Mutual Life, says:

The first five months of the operation of the new Wisconsin insurance laws have demonstrated that they are the source of greater expense without compensating saving in any other direction. This is especially true of the law regarding elections. Some features of this law have been found to be unjust and impractical, at least so far as this company is concerned. It does not seem just and fair, for instance, that a policyholder with only $1,000 interest in the company should have as much to say about its management as a man who has $100,000 interest. In all corporations, and logically so, the man who has the biggest investment, and therefore the most to lose, is given more votes and more importance in determining what shall be done in the management of the company than the minor stockholders.

The following is the conclusion of the report of H. W. Buttolph, consulting actuary, on the re-examination of the **State Mutual Life of Rome,** Ga., which was previously examined by Mr. Wolfe, whose report has not yet been made public:

The company has had an unusually rapid growth, having in force at the close of the year something over $42,000,000 of insurance. It has required the expenditure of a considerable sum of money to attain this result, and I think that the officers have come to a wise decision in determining for the future not to attempt to force the business in any way, but to permit the company to grow in an entirely normal and economical manner.

Through an affidavit filed in the suit of Henry Moir against the **Provident Savings Life Assurance Society** and members of the Coyle syndicate of Philadelphians, who undertook last fall to purchase the control of the institution from the Thomases, it became known Thursday that the Thomases not only had the Provident Life stock hypothecated which the Philadelphians thought they were buying, but in connection with the deal deposited $650,000 of the cash of the Provident Savings Life in institutions of their own nomination. Actuary Moir is suing to obtain the removal of one of the directors elected by the Coyle syndicate.

Reports from the West indicate a new possibility developing out of the entangled affairs of the **Great Western Life** of Kansas City. A $100,000 company has been organized to take over the assets of the Great Western Life, to be known as the Trans-Mississippi Life insurance company. The officers of the new company are not yet named. The directorate, however, contains names of many who are identified with the Pioneer Trust Company and the office of Scarritt, Scarritt & Jones, attorneys. O. L. Van Laningham, former president of the Great Western Life, is said not to be interested in the new company.

The **Commercial Union** has won its **case** in the Appellate Court of **California,** involving the issuance to it of a certificate to operate in that State. With the intention of strengthening the statute in this regard the Legislature in 1907 changed the law so as to make the life of a certificate of this nature one year. The decision just handed down, which was written by Presiding Justice Cooper, is based on the technical wording of the law, which, while providing for the revocation of permits, fails to carry a provision to prevent their being issued to companies which appeal to Federal jusrisdiction.

Announcement has been made by Insurance Commissioner Reau E. Folk, of Tennessee, that the sessions of the **annual convention of Insurance Department Commissioners** will be held at the Hotel Pontchartrain, Detroit, Mich., August 25, 26 and 27. While it has been decided by the executive committee that discussions shall be confined to members of the convention, the executive committee extends a most cordial invitation to insurance officials, and to any others who may be interested in the important topics which will be discussed at the convention.

The **Northwestern Mutual Life** is making elaborate preparations for the celebration of its **golden jubilee** in July. The observance will be largely in charge of the annual meeting of the agents' association, for which special features are being prepared. The agents' year closed June 1, and it is already known that the best previous record for any one agent of the company has been smashed. This record was made by George Pick, long the leader for the company, in 1899, the year the company increased its rates, when he wrote $1,233,000.

A special committee, with H. H. Rassweiler, of the Insurance Company of North America, as chairman, has been appointed by the Illinois State Board to consider **the situation at Springfield, Ill.** The fire insurance club there has imposed a fine upon the Morgan agency for brokering business for the Scott non-board agency. An appeal has been asked for, and the committee must decide the question of whether the acceptance of brokerage business from a non-board agency is proper under the ruling, and whether an appeal is allowable,

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The climax of the affairs of the **Rhodus Brothers,** in their relations with the Central Life Securities Company and several other concerns in the West, was reached Monday when B. F. Rhodus, Edward F. Rhodus and Thomas Rhodus were arrested, charged with **using the mails** in a scheme to **defraud.** The complaint upon which the warrants were issued was made by W. M. Ketchum, United States Post Office Inspector. The investigation of the affairs of the Central Life Securities Company has been continued throughout the week.

The New York insurance brokerage firm of **Samuels, Cornwall & Stevens,** at 84 William street, has secured the insurance line of the Coney Island and Brooklyn Railroad Company, amounting to $1,030,000. As a result the entire risk is being improved and brought up to date. Two new substations are being constructed and a power house as well, which is scheduled to be completed in the near future. When this is done the old power house will be discontinued. The risk is being written on an up to date schedule form.

The agency firm of **Ward & Crawford** at 84 William street, New York, has been appointed to represent the German Fire insurance company of Pittsburgh in the metropolitan district and the territory of the Suburban Fire Insurance Exchange. Upon the company's admission to New Jersey, application for which is already on file, Ward & Crawford will have the general agency for that State. Mason A. Stone, formerly president of the Greenwich insurance company, is at the head of the local department of Ward & Crawford.

The **Chicago Board of Underwriters** issued its usual warning against the **storage of fireworks** and other explosives for the Fourth of July, showing that their maintenance on the premises, without permission, is an increase of hazard in violation of the contract, and would void the insurance in case of loss if the necessary permit had not been secured. This permit was issued to dealers at short rates of 2½ per cent. on buildings and 5 per cent. on contents.

The enormous industrial business of the **Metropolitan Life** has necessitated the erection of a "Hall of Records" in Bronxville, in which the thirty-five truck loads of industrial insurance records, formerly located on the eleventh floor of the home office building, will be stored. The building is of fireproof construction, designed to carry a live load of 400 pounds to the square foot. Metal furniture is used throughout, except in the janitor's apartments.

The financial affairs of the **Mutual Reserve Life** of New York have been under **discussion** in the **Italian Parliament** on account of the company's connection with its Italian policyholders. Signor Rava, Minister of Public Instruction, who is considered responsible for losses sustained by Italians, spoke in his own defense. A new law will be introduced for the government of operations by foreign insurance companies in Italy.

Beginning with the third year the surrender charge in the policy of the **New England Mutual Life** will be entirely eliminated, giving to the assured the full 3 per cent. reserve in cash, paid-up or extended insurance in case of default in payment of any subsequent premium. The new values are endorsed upon all policies now issued, and apply to all policies issued on the 3 per cent. reserve basis since December 31, 1907.

The **Walla Walla Fire has brought suit** against Charles H. Spencer, the former manager of its central department in Chicago, to recover three notes for $5,000 each, extending over several years, given him in exchange for his contract. The company claims that these notes were extorted from it by Mr. Spencer under the strenuous financial conditions that prevailed in October, and it asks to have the notes invalidated.

At the annual meeting of the **Illinois State Board of Fire Underwriters,** held at Delavan, Wis., June 25, officers were elected as follows: President, Frederick Taylor Wise, of the Home; vice president, F. H. Burke, of the Fire Association; secretary and treasurer, Miss M. L. Tiffany. Executive committee, James B. Tallman, Carroll L. Dewitt, Charles W. Goode, George A. Ahrens, Guy A. Richards and Charles G. Lar.

The City Club of New York, through its committee on fire protection, composed of Emil Frankel, W. G. Sewall, Walter F. Peacock and Wallace Reid, has sent a communication to Mayor McClellan, of New York, embodying the committee's report, and **scoring the present fire alarm system** as fundamentally wrong. A new system is strongly urged to be built along thoroughly modern and approved engineering plans.

The most recent addition to the **Newman & MacBain agency** comes in the acquisition of the California insurance company, which will apply for admission to New York State upon the completion of its semi-annual statement. The company has $400,000 capital, and a net surplus of $200,000. It stood the San Francisco fire to the tune of $1.847,000 in losses, and by clever financial management weathered the ordeal.

The **Commercial Union** has established a **Southern department** at Atlanta for **marine** business only, and the well known agency firm of Haas & McIntyre, has received the appointment of general agents, with powers to appoint agents in an extensive territory south of the Potomac River, to the borders of Texas. The firm controls large cotton lines in the South.

The **western Pennsylvania** general agency of the **Pacific Mutual Life** of Los Angeles in Pittsburgh is being reorganized in both the life and accident departments. Vice President Danford M. Baker, Secretary Herman Behrens, of the commercial department and assistant auditor, and Agency Organizer Frank R. Woodbury are in Pittsburgh for that purpose.

The **Marquette Mutual Life of Illinois,** which has been running on the assessment plan for about six or seven years, has been **wound up** by the Illinois Insurance Department. A temporary receiver was named a year ago. The company was found insolvent at a recent trial by jury, and a permanent receiver was this week appointed.

The Illinois State Board has authorized the **rating of broom corn** risks in the central Illinois district under the Dean schedule. It is understood that on the brick warehouses at Mattoon, heretofore rated at a flat rate of $2.50, the rate, if a few improvements are made, will be $1.70 on buildings and $2.20 on contents.

The Seattle and San Francisco agents of the New York Life carried on **a forty day contest** in honor of Vice President E. R. Perkins while the latter was on the Pacific Coast, the Seattle office writing $844,000 and the San Francisco office $822,000.

The arbitration committee of the **New York Fire Insurance Exchange** has issued a circular to members explaining

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the branch office rules. Attention is called to the fact that a branch manager will not be permitted to have an office located below Forty-second street and one located above Forty-second street.

The final report of Receiver T. A. Oberin, of the **Mississippi Home insurance company** of Vicksburg, filed July 1, shows a deficit of $183,588.34 and unearned premiums of $89,672.73. The capital stock of the corporation was $100,000.

The **Penn Mutual Life** of Philadelphia has written, during the first six months of this year, $39,300,000 of new business, being a gain of nearly $3,000,000 over the same period of 1907, while the death losses incurred have been $125,000 less.

Sentence of one year in the penitentiary has been imposed upon Dr. Enulus Champion, of Benton, Ky., a **"night rider,"** who was convicted on a charge of participating in a raid in Birmingham, Ky., last April.

It is reported from **Kingston, Jamaica,** that some of the English fire insurance companies are now offering to pay 50 per cent. on all claims arising out of **fires** which occurred at the time of the earthquake.

The twenty-fifth annual convention of the **American Institute of Electrical Engineers** was held this week at Atlantic City, N. J. Fire protection matters were discussed.

At a banquet of the Merchants' Association of **San Francisco,** held on June 26, resolutions were adopted supporting the project of a **municipal water system.**

The **Des Moines Fire** of Des Moines, Ia., is entering New Jersey, Maryland and Delaware through the general agency of R. S. Howell & Co., of Philadelphia.

An **examination of the Westchester Fire** is being made by Actuary S. H. Wolfe for the California Insurance Department.

The **Great Western Accident** of Des Moines has reinsured the business of the **Endowment Accident** of Sioux City.

The **Economic Life** of Philadelphia has entered Connecticut.

Personal.

AGENCY APPOINTMENTS.

American Central of St. Louis: Clayton B. Sheppard, State agent for Michigan at Detroit; H. B. Mott, State agent for Indiana at Indianapolis.

Dixie Fire: Carstens & Earle, of Seattle, general agents for the Northwest.

German-American of Baltimore: Adolph Loeb & Sons, general agents for Illinois.

Mutual Life of New York: T. Howard Lewis, manager at Boston, succeeding the late Darwin E. Durley; Clay Babcock, manager at Rochester, N. Y., succeeding H. J. Emerson, transferred to Philadelphia.

National Union Fire of Pittsburgh: F. E. Church, manager Northwestern farm and survey department for ten States in Central West.

Providence-Washington: Fred C. Millard, agent for Milwaukee and vicinity, succeeding Walter Schroeder.

Prussian National: William G. Titus, of Lansing, Mich., special agent for lower Michigan.

Queen insurance company: J. P. Hutchinson, city manager for Chicago.

Sun Fire of London: George C. Plume, branch manager for Essex County, N. J., and Hudson County west of Hackensack.

United Surety of Baltimore: Wakefield, Morley Company, of Hartford, Conn., general agents for Massachusetts, Connecticut and Rhode Island.

Washington Life: F. J. White, of Cincinnati, general agent for Ohio, Kentucky and West Virginia.

Mr. R. L. Stewart, of Kansas City, Mo., Southwestern manager of the National Surety, has resigned to go with the Empire State Surety. He enters into a partnership with R. C. Woodworth, manager of the Empire State at Kansas City, under the style of Woodworth & Stewart. The new firm will handle western Missouri and Kansas for all lines in Kansas, and all except accident and disability in Missouri.

Mr. B. C. Bakewell has been appointed general agent at Pittsburgh of the Empire State Surety of New York for all lines. He has been associated with C. M. Harnies as agent of the United Surety of Baltimore in Pittsburgh, and was also formerly connected with the United American Life, which the General Accident reinsured. Mr. Harnies continues as agent of the United Surety.

Mr. H. H. Hirsch, of Atlanta, Ga., has joined the National Union of Pittsburgh to take charge of the eastern part of the Southern field supervised until recently by W. A. Drennan, transferred to San Francisco. Mr. Hirsch severs his connection with the Western and British America on July 15. He will have charge of Georgia, Florida and Alabama.

Mr. W. W. Connel, vice president of the American Assurance of Philadelphia, who was formerly secretary, and was sent to Chicago to take charge of the office there, and also the Illinois and Indiana field, has resigned to become assistant manager of the industrial disability department of the Continental Casualty at the home office.

Mr. Henry L. Palmer, president of the Northwestern Mutual Life, is back at his desk after an illness lasting nearly a month. Mr. Palmer is eighty-eight years old. Judge George H. Noyes, general counsel of the company, sails for Europe in July, where he will meet his family and tour the Continent.

Mr. T. J. Pulling, for the past seven years director general of the New York Life for Great Britain, with headquarters in London, has been appointed supervisor of the company for western Pennsylvania, succeeding C. E. Griffey, who was transferred to Denver, Col., in a similar capacity.

Mr. E. C. Land has been appointed special agent for South Carolina of the Walla Walla, Ohio German and Southern of New Orleans, by M. W. Nash, of Greensboro, general agent. Mr. Nash will hereafter devote his attention to North Carolina.

Mr. Eugene C. McCauley, Indiana State agent of the Virginia State of Richmond, died suddenly at his home in Indianapolis June 19 from heart trouble. Before joining the Virginia State a short time ago he was State agent of the Indianapolis Fire.

Mr. Samuel Fessenden, of Connecticut, who died recently, carried $116,971.10 of life insurance, distributed in the Equitable, Mutual, Manhattan and Northwestern Mutual life insurance companies.

Mr. Oliver H. Kingsland, an inspector of the New York Board of Fire Underwriters since March, 1881, died at his residence in Bath Beach, L. I., on Sunday, June 28, in his seventy-first year.

Mr. William S. Pritchard, former manager of the court department of the National Surety, has taken charge of the court business of the Empire State Surety.

Mr. Gordon Boyd, of Chicago, has been engaged by the Travelers of Hartford as "automobile special agent," with headquarters at the home office.

Mr. Mark D. Williams, an insurance agent of Cleveland, Ohio, died June 24 at his home in East Cleveland, aged seventy-two years.

Mr. W. H. Gould has resigned as actuary of the State Mutual Life insurance company of Rome, Ga.

Casualty and Surety Insurance.

Unusual accidents of the week are as follows: Struck by a bottle knocked from a window below which she was passing, a girl had her scalp laid open; hit by a shoe thrown at a departing bride and groom, a man had his head bruised; while walking under a railroad bridge which was being repaired a young woman was badly hurt by being struck on the head by a hammer dropped by a careless workman; two passersby were injured when a mammoth cable, being strung on the new Manhattan bridge in New York, fell from its moorings; reaching from the street car in which he was riding to catch his hat, a Catholic monk fell and was decapitated by the wheels of the car; while talking to his sweetheart on a swinging rope ladder under her window, a youthful wooer was shot for a burglar; slipping from the pole in a firehouse as he hastened to respond to an alarm, a fireman fell 20 feet and fractured his skull; a Georgia preacher was thrown from the mule he was riding and dragged to his death; swallowing poison in mistake for whiskey, a drug store caretaker died from the effects of the drug; in trying to rescue a friend from drowning, a Cory, Pa., man was drowned himself; a Hazleton, Pa., powder house was struck by lightning and the resulting explosion killed an employee; a seven year old girl was blinded by being struck in the eye by a stone thrown by a careless boy; a Paterson, N. J., undertaker choked to death when a peach pit lodged in his throat; falling asleep near an open window, a Pennsylvania man fell to a porch and after striking a tree was catapulted to the cement sidewalk below, receiving fatal injuries; the iron rim of an exploding automobile tire

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struck a passerby and injured him seriously; falling in a fit, a painter was strangled to death by a log rolling across his neck; a chicken bone which became lodged in the stomach of a Meriden, Conn., man, caused his death; a snapping steel cable used in hoisting a derailed railroad car to the track struck the station agent in the abdomen, causing his death; in trying to jump across the 3 foot airshaft in a New York city apartment house, to visit a friend across the way, a man missed his footing and was killed by the fall down the shaft; four men were hurt in New York city by the explosion of a gas main; a man and woman were badly injured when their mule team ran away down a mountain in Pennsylvania; falling under the wheels of a freight car, a sixteen year old boy had his leg so mutilated as to render amputation necessary; a boy let fall a bottle of muriatic acid as he ascended some steps and he and several others were badly burned by the liquid which splashed over them; while playing tag in a New York street, a five year old girl was killed by being run down by an ambulance; a Lackawanna railroad fireman was killed when the locomotive on which he was working was sideswiped by another engine; while looking at last Sunday's eclipse of the sun through smoked glasses, an amateur astronomer was hit on the head by a brick and badly cut up.

How the **medical examiner** for an accident company should go about an examination of an assured's dislocations and fractures, involving the **removal of dressings,** is intelligently discussed in the current issue of the *Industrial Review.* The article follows:

When an insurance company requests an examination of one of its claimants who is said to be suffering from a fracture of one or more bones of the body, or a dislocation of one of the joints, the correct manner of making such an examination is a very important part of the examiner's duty, requiring tact and experience to make the examination properly and without giving the claimant any grounds for saying that the doctor was the cause of pain and suffering. If the attending physician is present, he will remove the dressings and exhibit the injury himself, thus taking all responsibility as to the dressings being properly applied again and the parts kept in a correct position. When, however, the examiner of an insurance company makes an examination and the attending physician is not present, it is then questionable whether he should open the dressings when the injury sustained is either a fracture or a dislocation. Under such circumstances, unless there is some suspicion that the claimant is alleging an injury which does not exist, it is best that the examiner of the company should not remove the dressings. If, however, any thought exists in his mind that such a condition is not present, it is his duty to remove all dressings and splints, and ascertain positively if a fracture exists or whether a dislocation has been present and has been properly reduced. Sometimes an examiner will remove a dressing, and if he does, he correctly replaces it, leaving the claimant in exactly the same condition as he was before the examination was made, yet the claimant, together with the attending physician, will sometimes allege that on account of the examination and consequent removal of the bandages, they were not properly applied, and more or less pain resulted. It has even been claimed that deformity followed because of such an examination. Some physicians examining for casualty insurance companies never remove a dressing when a fracture or disclocation is said to exist, without the attending doctor being present, and this is unquestionably the most satisfactory way for an examiner to act in such cases.

The **Preferred Accident** has substituted for its former agent's paper *Indemnity* a new form of periodical called the Preferred *Perambulator,* which it characterizes as "an instructive carryall for agents." The June issue contains a variety of helpful discussions of subjects akin to the business. The following interesting statistics are from this source: "Nearly 11,000,000 non-fatal accidents occurred in the United States in 1907. This means that about 30,000 people are injured each day—one to every 2,800 of population.——Six per cent. of all deaths in this country are due to accidents, and this is based on rather incomplete statistics, as many States do not properly register deaths.——The accidental death rate for last year in ten Eastern States was ninety-six per each 100,000 of population.——The death rate due to accidents and injuries is highest among persons over forty-five years.——The average age at death from accidents is thirty-three years.——More accidents occur in proportion to population in the Southern, Pacific and Western States than in the Middle Atlantic section. ——Fatal accidents occur more frequently in summer than in winter months.——In January, March, July, August, October and November there are more accidental deaths in rural parts than in cities; in February and April the death rate is similar; in May, June, September and December the city leads—thus sayeth Government reports.——A person is more liable to accidental death than from any other single cause excepting consumption and pneumonia.——A person is twice as liable to die by accident as from old age.——Typhoid fever, cancer, apoplexy, brain diseases, paralysis, diphtheria, diseases of the stomach and liver are all slight menaces of life as compared with the accident hazard.——As to non-fatal injuries, one is 100 times more liable to receive an injury than a case of consumption or pneumonia, and 1,000 times more liable to be disabled from an accident than from any liver disease.——The accident "microbe" is not only deadly but is actually increasing each year.——If every person who died in 1907 from accidental causes had been insured for even $1,000 the accident companies would have been called upon to pay $57,000,000."

Few people realize probably the number of **accident insurance applicants** who are annually **"turned down"** by the various companies. They hear of the people insured, but not those who wanted protection and could not get it. Naturally the moral remains to secure protection while it is possible. The *Perambulator* has the following to say of the reasons for turning down risks:

During the year 1907 the Preferred "turned down" as undesirable more than 3,000 applications, with total premiums of over $72,000. Many of these risks were strictly "preferred" if occupation alone counted, yet they had "blemishes" either physical or moral. Some were more than 20 per cent. over weight, others under weight; many had been declined by life companies owing to physical impairment; a few were going to South America, China or some other far away places, others desired quarterly policies to cover business or pleasure journeys, and all not up to our high standard in every respect. Many of the applications were rejected on account of the duties not being in every case "safe." For example, retail grocers and hardware merchants, and clerks employed by the same, all such are frequently obliged to lift heavy and bulky packages, etc.—in fact, do considerable manual labor. Barbers and osteopaths are totally disabled if they receive a slight cut on either hand. Delicatessen dealers and meat market men handle sharp knives. Second hand furniture and junk dealers are always loading or unloading heavy articles, resulting in sprains and mashed fingers or feet. There are today in these United States more than 500,000 of very desirable "preferred" risks—men who work with their brains, not hands, and all of these are eligible to this company. It is to this class that we desire to give larger benefits and more liberally constructed policies than do companies whose methods are careless, and who look for quantity rather than quality.

The examination of the **Empire State Surety** of New York, by Actuary S. H. Wolfe, acting for the insurance commissioners of Colorado, Minnesota and Virginia, has just been completed as of December 31, 1907. Gross assets of $1,471,-111.15 are shown, and after deducting assets not admitted of $230,607.85, admitted assets of $1,240,503.30 are shown. A surplus over all liabilities is shown of $132,167.15, making a surplus to policyholders of $632,167. The report is signed by Lee J. Wolfe, examiner of the Colorado Insurance Department; Charles W. Farnham, examiner of the Minnesota Insurance Department; S. L. Kelley, examiner of the Virginia Insurance Department, and by S. H. Wolfe, examiner in charge. The conclusions of the report are as follows:

The difference between the amount of surplus shown in the above statement and that contained in the company's reports is practically ascribable to two items: the incorrect separation of the uncollected premiums and the special reserve for unpaid liability losses. Minor errors in the bookkeeping have been called to the attention of the officers for rectification. The com-

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pany settles its claims promptly and with no undue desire for litigation. The president has assured us that it will be the policy of the administration to declare no further stock dividends until the surplus of the company is $500,000. It is a wise decision for a company transacting the classes of business which this company is to afford its policyholders this additional protection. The officers and employees furnished your examiners with all the information for which they were asked. All of which is respectfully submitted.

According to reports from the shores of the great lakes, the rates for **accident insurance** on **lake captains** have been raised. They are now being rated as following an extra hazardous occupation, and they don't like it much. In discussing the subject a well known lake captain voiced the following views. Said he: "It is absurd to put us in the class with the engineers and mates. Engineers are forever poking their hands and fingers into all sorts of machinery. Their duties lead them into contact with boilers and fires, and one can easily imagine them being classed as following an extra hazardous employment. Mates have to be all over the ship, superintending the shipping and unloading, getting under heavy loads swinging overhead, and have various duties in the boats. This also may be extra hazardous. But the master has none of these things to look after. He gives orders, and there is nothing very hazardous about that. But I suppose that we will have to stand the raise in the premium and if we want to play even we shall have to get hurt or killed." Underwriters claim that the mere fact that the policyholder is captain of the vessel does not prevent him from undergoing equal risks and hazards with many of his understudies.

The **examination** of the **Casualty Company of America** at the hands of the New York Insurance Department, Charles Hughes examiner, has just been completed, showing the condition of the company as of December 31, 1907. Total admitted assets of $2,039,387.98 were shown, with total liabilities, except capital, of $1,418,729.17. Total unearned premiums of $839,302.72 are shown, and a surplus over all liabilities of $120,658.81. The surplus to policyholders is $620,658.81. The examination was made on the "average" basis as regards the valuation of securities, while the report states that if "actual market values" were used as of December 31 the surplus would still be $61,831.80. The report in this connection goes on to state that "it should, however, be remembered that the securities held on December 31, 1907, had on May 29, 1908, increased in actual market value $70,656 over the actual market value of December 31, 1907, so that the surplus figures shown in the foregoing financial statement are considerably lower than they would be under normal market conditions. The total surplus as regards policyholders amounts to $620,658.81, or on the basis of 'actual market values' December 31, 1907, $561,831.80."

A **convention** of the general **agents** of the **Ætna Indemnity** of Hartford was held the first three days of this week at the company's office, 68 William street, New York, the sessions being attended by about thirty-five agents. Business sessions were held on Monday, Tuesday and Wednesday during the daytime, and the various phases of the business as regards the Ætna were discussed. President F. D. Kilburn presided at the banquet on Monday evening at the Waldorf-Astoria, where covers were laid for fifty, including the executive officers, some of the directors and the home office heads of departments. There were speeches of an impromptu order. The social doings of Tuesday included a shore dinner at Sheepshead Bay, after which the party invaded Coney Island, where the wonders of the various amusement parks were looked into. The trip was made by automobile. The convention sessions proved distinctly enjoyable and instructive as well.

There is certainly one man in New England who is **congratulating himself on carrying accident insurance.** He is Henry W. Estabrook, of Brookline, Mass., a member of the firm of Estabrook & Eaton. While engaged in playing golf at the Chestnut Hill Golf Club Mr. Estabrook was struck by a ball in the left eye, which irrecoverably destroyed its sight. He carried insurance as follows: $5,000 policy, taken out in 1902, accumulated to $7,500; $5,000 policy, taken out in 1905, accumulated to $5,500; $25,000 policy, taken out in 1907. In all, Mr. Estabrook carried $35,000 of accident insurance, plus $3,000 accumulations; total, $38,000. For the loss of one eye he received one-third of this amount, or $12,666.67. Of this amount, $1,000 was for accumulations. This claim, which was paid by the Travelers, is an unusually large one for injuries received during recreation.

By a vote of the company's stockholders the **General Accident of Philadelphia** has been **consolidated** with the parent concern—the General Accident, Fire and Life Assurance Corporation of Perth, Scotland. United States Manager J. Franklin Moore, who was president and secretary of the merged company, in discussing the consolidation, said:

The consolidation was deemed desirable, first, because the company had served its purpose, having been organized by the corporation about ten years ago chiefly for the purpose of writing health insurance; second, the management under the new arrangement would be in a position to devote their time and energies exclusively to one organization, and third, the field representatives of the company will be benefited by their ability to represent exclusively the larger corporation.

The **Guarantee Company of North America** has received from Vice President Walter E. Frew, of the Corn Exchange Bank, a letter acknowledging the prompt settlement of the guarantee company's bond covering Charles T. Muir, late receiving teller of the Forty-second street branch of the Corn Exchange. The defalcation amounted to $9,113.72, and the guarantee company sent its check for that amount.

The **Merchants Life and Casualty Company** has been incorporated at St. Paul, Minn. The officers are: M. J. McMichael, president; M. J. Guilford, secretary; C. B. Fraser, treasurer; Dr. Thomas T. Warham, medical director; E. S. Warner, C. W. Curtis and J. C. Matchitt, of St. Paul; Dr. O. McMichael, of Vernon Centre, and H. Kettelwell, of Windom, directors. The home office is in Minneapolis.

The **United Surety** of Baltimore has entered into a contract through its Texas agents, Shelton & Ames, with the Texas Bankers' Association for bank burglary insurance. The contract holds for three years, and J. W. Hooper, secretary of the association, is made the company's official agent for that State.

According to the *United States Review* the Pittsburgh **banks,** having grown tired of the frequent embezzlements, have decided to have their **employees** photographed and measured according to the **Bertillon system.** In addition a complete record of their business careers will be placed on file.

The recently talked about plan of establishing a **mutual burglary insurance company** by the **jewelers** of Milwaukee has come to naught, the promotors of the scheme having come to a realization of the impracticabilty of the project.

The **German Commercial Accident** of Philadelphia is organizing in Ohio, Michigan, Illinois and Missouri, and agents

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from the principal cities of these States were in consultation with home office officials this week.

A meeting of the finance committee of the **Union Accident and Casualty Company** of Philadelphia will be held on Monday at 2 p. m. for the purpose of receiving bids for the investment of the company's capital.

The **Franklin Burial Association** of Columbus, Ohio, has been taken over by the American Assurance of Philadelphia.

The **Liberty Bell** of historic memories has been adopted as an emblem by the Philadelphia Casualty.

The **Ætna Indemnity** of Hartford has decided to begin the writing of accident and health insurance.

Insurance Legislation.

Complete copies of all important bills in the legislatures affecting insurance are on file in the office of THE WEEKLY UNDERWRITER.

Georgia.

ATLANTA, June 30.—Mr. Barksdale has introduced a bill in the House to regulate the writing of life insurance policies. It forbids misrepresentation by estimates, rebating and board contracts.

Louisiana.

BATON ROUGE, June 29.—Senator Favrot introduced a bill today prohibiting discrimination on the part of fire insurance companies against local agents in the matter of commissions.

House Bill No. 164, by Mr. Wall, passed the Senate today. The purpose of the bill is to prevent unscrupulous soliciting agents from defrauding ignorant policyholders. It had the approval of the Insurance Commissioner.

BATON ROUGE, June 30.—The Senate today passed Senate Bill No. 200, by Mr. Wimberly, to prohibit the transaction of any insurance business by individuals, partnerships, corporations or associations that have not complied with the laws of this State regulating the business of insurance and prescribing penalties and remedies in cases of violations of the provisions of the act.

Mr. Young has introduced in the House a bill for the insurance by the State of bank depositors against loss of deposits in a State bank.

Miscellany.

Insurable Interest of Husband and Wife—An Eloquent Tribute to the American Judiciary.

(*A practicing barrister in the Post Magazine of London.*)

The existence of an insurable interest as the basis of a contract of insurance is a settled doctrine of the jurisprudence of this country. So long has this been an established legal principle, and so frequently in the past have the courts discussed the elements necessary to constitute an insurable interest, that familiarity with the rule in practice has enabled the insurance world largely to dispense with the assistance of lawyers in regard to its exposition or interpretation. That the question whether a husband has an insurable interest in the life of his wife should, for the first time in England, have been judicially decided in the year of grace 1908 must have come as a revelation to most insurance men. In this respect the otherwise unimportant action of "Griffiths vs. Flemming and others," recently reported in the *Post Magazine*, will become historic.

The conclusion arrived at by Mr. Justice Pickford—whose reputation as a commercial lawyer at the bar has been enhanced by the soundness of his judgments and the lucidity of his directions to juries since his elevation to the bench—seems to be fully consistent with logic and good sense. Some would be prepared to go further than his lordship's judgment would perhaps justify, and to say that in these days, when the tendency is to claim and create an equality of privileges and opportunities for the sexes, the presumption of law as to the existence of an insurable interest should in the case of husband and wife be mutual—that is to say, one and the same for both spouses. As long ago as 1795, Lord Kenyon, Chief Justice of the King's Bench, declared that it must be presumed that every wife has an interest in the life of her husband. The presumption certainly appears in that particular instance ("Reed vs. the Royal Exchange Assurance Corporation") to have been rebutted. A policy for £2,000 had been effected on the life of the husband on the 11th of April, 1795, and he died on the 17th of the same month. His wife was afterward indicted on a charge of murder, but it is only fair to the lady to say that she was acquitted.

The doctrine that a wife has an insurable interest in her husband's life has now been taken out of the range of presumption and given statutory authority. By Section 11 of the Married Women's Property Act, 1882, Parliament has expressly enacted that a married woman may, by virtue of the power of making contracts therein conferred, effect a policy upon her own life or the life of her husband for her separate use, "and the same and all benefit thereof shall enure accordingly."

In passing the Income Tax Act of 1853 the Legislature seems to have assumed the existence of a husband's insurable interest in his wife's life. Section 54 provides that "any person who shall have made insurance on his life or on the life of his wife, or shall have contracted for any deferred annuity on his own life or on the life of his wife, in or with any insurance company * * shall be entitled to deduct the amount of the annual premium paid by him for such insurance or contract from any profits or gains in respect of which he was liable to be assessed under either of the schedules (D) or (E) of this act."

It is not, perhaps, inopportune to recall that the famous statute, 14 George III, cap. 48, which was passed in 1774, and is known as the gambling act, practically enacted no new law, but was rather declaratory and confirmatory of the old common law of the realm. The second section of the statute affirms that "it hath been found by experience that the making insurances on lives or other events wherein the assured shall have no interest hath introduced a mischievous kind of gaming." It proceeds to enact that "no insurance shall be made by any person or persons, bodies politic or corporate, on the life or lives of any person or persons, or on any other event or events whatsoever, wherein the person or persons for whose use, benefit, or on whose account such policy or policies shall be made, shall have no interest, or by way of gaming and wagering, and that every assurance contrary to the true intent and meaning hereof shall be null and void to all intents and purposes whatsoever." It was laid down by Lord Tenterden, Chief Justice nearly eighty years ago, that the word "interest" in the statute means "pecuniary interest," and this interpretation has been consistently followed by the courts.

Bearing in mind that wager policies were void at common law, and that the gambling act is mainly a declaratory statute, it is not unprofitable to dwell for a moment on the judicial decisions in the United States, where the English common law has been successfully transported, and where many of its most learned, eloquent and eminent exponents are to be found. Were one to venture into the regions of prophecy, one would not hesitate to predict that, should history unhappily repeat itself in the decline and fall of this puissant nation, the clear springs of the ancient common law of England would continue to flow in all their pristine purity from the fountains of Justice in the great republic of the Western World. The judges of the Supreme Court of the United States have on several occasions discussed the question which within the past few weeks has been raised here for the first time. While recognizing that life policies without insurable interest are more pernicious than any other class of wager policies, by reason of the fact that temptations to tamper with life are more mischievous than mere incitements to pecuniary fraud, American judges have stated with admirable clearness what in their opinion ought to constitute an insurable interest within the limits of sound public policy.

In "Warnock vs. Davis," the United States Supreme Court declared that "it is not easy to define with precision what will in all cases constitute an insurable interest so as to take a contract out of the class of wager policies. It may be stated generally, however, to be such an interest arising from the relations of the party obtaining the insurance, either as creditor or surety for the assured, or from the ties of blood or marriage to him, as will

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justify a reasonable expectation of advantage or benefit from the continuance of his life. It is not necessary that the expectation of advantage or benefit should be always capable of pecuniary estimation; for a parent has an inseparable interest in the life of his child, and a child in the life of his parent; a husband in the life of his wife, and the wife in the life of her husband. The natural affection in cases of this kind is considered as more powerful—as operating more efficaciously—to protect the life of the insured than any other consideration. But in all cases there must be a reasonable ground founded upon the relations of the parties to each other, either pecuniary or of blood or affinity, to expect some benefit or advantage from the continuance of the life of the assured; otherwise the contract is a mere wager by which the party taking the policy is directly interested in the early death of the assured. Such policies have a tendency to create a desire for the event. They are, therefore, independently of any statute on the subject, condemned as being against public policy."

The American courts, in dealing with what may be called domestic marital assurances, have acted in accordance with the dictates of good sense and sound public policy. Their judgments are consistent with the view obviously entertained by Parliament when it passed the Income Tax Act of 1853 and the Married Women's Property Act of 1882. Absence of insurable interest of a husband in his wife's life or of the wife in that of her husband was then not a question seriously entertained by the Legislature. No doubt there are instances where an insurable interest on the part of a husband in the life of his wife clearly does not exist, as, for example, where the wife may be a burden, a hopeless lunatic or invalid. These unhappy conditions would, however, be necessarily disclosed in answer to the usual inquiries which precede the completion of any contract of life assurance.

As a general rule, the wife may be presumed to be the helpmate of the husband and loss of service would be the natural consequence of her death, while in many cases diminution of income also follows. On the whole, therefore, there would appear to be no valid reason why policies should not be issued to either spouse on the joint or several lives of husband and wife, and, where fraud is unsuspected, the obligations incurred by insurers will doubtless be loyally discharged.

Tributes to Grover Cleveland.

THE EQUITABLE LIFE ASSURANCE SOCIETY.

At a meeting of the finance committee of the board of directors of the Equitable Life Assurance Society held June 26, 1908, the following minute was adopted:

The directors and officers of the Equitable Society learn of the death of Grover Cleveland with profound sorrow and regret.

To enlarge here upon the public acts and private virtues of this truly great man would be superfluous. Our object is simply to record our sympathy for Mrs. Cleveland and her children, and to bear testimony to the value of the last great work in Mr. Cleveland's career—the results accomplished by him in behalf of American life insurance.

In consenting to serve as chairman of the board of trustees of the Equitable Society Mr. Cleveland exhibited his confidence not only in one but in all reputable life insurance companies throughout the country, thus removing apprehension from the minds of the people, and saving hundreds of thousands of investments made by them for the protection of widows, orphans, and aged persons.

If Mr. Cleveland's life could have been spared he would (as chairman of the Association of Life Insurance Presidents) have continued to render public service of great value to the cause of sound life insurance. But that having been denied, it is a gratifying reflection that death did not come until he had rounded out a work of value to the cause of sound life insurance in general, and in particular had done his influential part in reorganizing and placing the control of the affairs of this society in the hands of its representative policyholders throughout the country.

And as a further tribute of respect it is ordered that the society's offices be closed at noon on the day of the funeral.

THE ASSOCIATION OF LIFE INSURANCE PRESIDENTS.

A special meeting of the executive committee of the Association of Life Insurance Presidents, of which Grover Cleveland was chairman and counsel, was held Tuesday afternoon. Mr. Paul Morton, president of the Equitable Life Assurance Society, acted as temporary chairman. Other members of the committee present were: Charles A. Peabody, president Mutual Life insurance company; Thomas A. Buckner, vice president New York Life insurance company; Haley Fiske, vice president Metropolitan Life insurance company; George E. Ide, president Home Life insurance company, and Robert Lynn Cox, secretary of the association.

The following minute was unanimously adopted and ordered spread upon the records of the association:

Grover Cleveland died June 24, 1908. During the seventy-one years of his life he was honored by selection to fill many public offices. But more than this he honored every office he occupied by an able and courageous performance of his duties. Every advancement to higher position came in recognition of services well rendered in a lower position. In this way he rose from mayor of his city to Governor of his State, and from that to President of the United States.

No man in public life ever lived to see himself more completely established in the confidence, respect and love of his fellow citizens. It was his good fortune to be placed, while yet living, in his true historical setting, a thing which has generally been denied to the great men of our country.

His service in public office ended in 1897, with the finish of his second term as President of the United States. But his service in the people's interests and for the promotion of their welfare continued to the time of his death. Not the least among the valuable services rendered by Grover Cleveland to his fellowmen was his contribution to the preservation and elevation of the business of life insurance. To this field of activity he brought all the experience gained in other and broader fields. To it he gave a guarantee of honesty and efficiency equal to which, in the eyes of the American people, no other man could have given. This he did in the interests of some 20,000,000 or more policyholders. He did it at a sacrifice of quiet and ease to which he aspired after such an exceptionally long and active career, and to which he was entitled at his time of life. For this service we are especially indebted to him. In connection with it we came to know him well, and to love and respect him, as his associates could not fail to do.

Therefore, on our own behalf, and as the representatives of millions of life insurance policyholders, we pay this tribute of respect and gratitude. We meet in profound sorrow, and desire to express, within the limitations imposed by human language, our appreciation of the irreparable loss sustained by each of us and by this association.

No action was taken with reference to selecting Mr. Cleveland's successor as chairman and counsel. This will be done by the association itself, which will not hold a meeting until next October. It was stated after the meeting of the committee that in all probability the vacancy caused by Mr. Cleveland's death would not be filled until the next regular annual meeting of the association, which occurs in December of this year.

The New Ohio State Fire Marshal Expatiates on the Deadly Firecracker, Toy Pistol and Lockjaw.

STATE OF OHIO, OFFICE OF THE FIRE MARSHALL, COLUMBUS.

Does patriotism demand that we for a day permit our children to play with and explode gunpowder, chlorates, picrates and dynamite?

The facts gathered each year by the fire marshal cry aloud for reform in celebrating the Fourth of July. Giving children fireworks on the nation's natal day teaches them, not patriotism, but disregard for law and for the rights of others.

During the last six years the number of buildings burned in Ohio by fireworks on the Fourth has averaged thirty-six. The number killed by them has ranged from ten to twenty-six. This does not include children burned to death by the ignition of their clothing nor those killed by runaway horses. The number maimed through the loss of eyes and fingers is never less than a hundred. The sale of fireworks to children should be prohibited.

Preparatory to the reign of fire, rubbish in areas or yards should be removed or wetted down. Stables, outhouses, packing rooms and cellar windows should be tightly closed.

THE LESS DANGEROUS KINDS.

Red fire does not explode; the pinwheel is fastened to a tree; the roman candle discharged from the curbstone burns nothing but a wrist.

The dynamite torpedo often used on street railway tracks is not dangerous to the occupants of the car, but it is a terror to

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hysterical nerves. In Columbus a boy lost three fingers trying to drive a nail through one of them.

The small Chinese firecracker, which is used in greater number than any other fireworks, destroys most property and fewest lives. The paper of the cracker often glows for minutes after it is exploded, igniting trash in which it falls. The electric sparkler is harmless unless its wire while still red hot is thrown into rubbish. Garden pieces and the new "cannon string," which contains thousands of crackers, are safe enough because they must be fired by an adult.

But a very small part of the fire loss on the Fourth is chargeable to skyrockets. The sticks are cooled in falling so they seldom ignite a roof. But in the celebration of last year three Ohio buildings were fired by rockets and the descending stick from one pierced the skull of a babe, destroying it in its mother's arms.

THE MORE DANGEROUS SORTS.

The small cannon crackers contain dynamite and the very large ones giant powder. One of them exploding in a hand converts it to gases. A story often told is that of a Cincinnati man who allowed one to explode while against his chest. It was necessary to dig his watch out of a nearby tree to identify him.

The baby cannon is one of the most deadly joy producers. The number of tragedies from it has been enormous.

The hot air balloon is the worst of incendiaries because the resin used under it makes it a flying bonfire. Its use certainly should be barred in cities.

The lightning and shooting matches are dangerous because they are sold to children and contain picric acid.

A new firework called "Son-of-a-gun" is misnamed, for only Lucifer would admit parental claim to it. It is laid upon the pavement to startle the passerby. When stepped upon it hops about popping like a gatling gun and often jumps into a cellar window, grating or trash pile to start a fire. It has all the fiendish characteristics of the "devil chaser" and some others.

A DEADLY THING.

The most deadly thing used in our annual outbreak of savagery called patriotism is the toy pistol. It explodes a paper cap containing chlorate of potash and pieces of the paper are often driven under the skin of the hand. Street dust at all times carries bacilli which cause lockjaw if buried in human flesh so that air cannot reach them. A most dangerous practice is to cover such a wound with a plaster. All penetrating wounds from fireworks must be laid open by a surgeon and dressed so that air can enter them. The deaths in the United States from lockjaw following the Fourth have ranged from 105 to 466. Fortunately there is now a serum for the cure of lockjaw.

There should be a State law limiting the amount of powder in any fireworks and prohibiting altogether fireworks containing phosphorus, chlorates, picrates, dynamite and other high explosives. Toledo first, and then Baltimore and San Francisco prohibited fireworks altogether.

W. S. ROGERS,
State Fire Marshal.

New Liability Policy Forms.

(From the Budget of the Maryland Casualty.)

We have revised our liability policies and are now prepared to issue a new form for all classes of liability insurance. Our agents need only glance at the specimen to be immediately aware how much superior the new policies are to the old ones, as well as either the new or old ones of any other company. While a glance is sufficient to impress this fact, we ask a careful study, in order that all the improvements may be appreciated and that our agents may immediately become familiar with the principal and particular points of superiority. The principle governing us in revising the policies has been that, in what has been known as the "standard" form, there are now various restrictions on the assured of which the company does not take advantage, and, therefore, such conditions have no place in the policy. We further felt there were various points where the policies could be improved, which we have tried to do. We wish to call your especial attention to the following:

The application is not made part of the consideration for the policy; the premium is the only consideration. From the assured's standpoint this is most important. With no idea of deceiving, a misstatement may be made in the application for insurance, either by the assured himself or by someone in his employ who attends to the insurance, which may void the policy when the assured desires its protection. If the assured has a Maryland policy this does not void his policy. On account of this, it is very necessary that our agents be most careful in selecting only those risks with the highest moral standing, in order to guard against direct misstatements, and to see that all questions on the application are answered fully and specifically, in order that we may underwrite as intelligently as possible.

Instead of "estimated premium" we use the words "initial premium," which is a mere detail, but one which we think more correctly describes the premium paid on delivery of the policy. It will be noted that the policy reads that the payroll includes "all employees and officials." It is absolutely essential that all employees and officials be included in the payroll, no matter what their duties may be, if they are located at the place described in the schedule; but if the officials of the assured are located in a different place from the plant of the assured described in the schedule, it will not be necessary to include the payroll of the officials. When we say a different place, we mean a different city or town, or any entirely different location in the same city or town, if they go to the plant but seldom. In these instances an indorsement will be used, which will be issued only by the home office, on receipt of full particulars regarding the location of officials. Agents are not authorized to issue this indorsement.

For the words "or death" we have substituted the words "including death resulting therefrom." We confess we see no advantage in the change, and have made it simply on account of the apparent demand of the public for the latter wording. The clause relative to the limits of the policy remains the same as in the old policy. The next clause in the policy takes the place of that portion of condition "D" in the old policy referring to the company defending suits at its own cost. In the new policy we have extended this so that it states it does what the company has always done, namely, investigates all accidents and defends all suits at the expense of the company, whether such accidents or suits have any basis or not, the words "even if groundless" having been inserted merely to make this plain.

The next clause corresponds to condition "B" of the old policy, and especial attention is called to this, as the restrictions are practically nothing—the age limit, and, in the manufacturers' form, the making of additions, etc., this last feature, of course, being a risk which calls for a contractors' policy. We call attention here to the point that while in the old employers' policies not only did the accident have to occur to one of the assured's employees, but had also to be caused by an employee whose wages were included in the estimate, while in the new policy it is only necessary that an accident be caused to an employee of the assured.

The fourth clause, requiring immediate notice of accidents, is practically the same as in the old policy, except that in the contingent policy it will be noted that notice is required only after the assured has notice himself, as, where the assured is not directly engaged, they do not always have notice of an accident as soon as it occurs, and it is obviously unfair and impossible to require that the assured give notice of something of which they themselves have no notice, or else the policy be invalidated.

The next clause corresponds to part of condition "E" of the old policy. In order to make it entirely clear that the company pays for immediate surgical relief, the words "at the expense of the company" have been added to this portion of the clause. The next clause in the policy is a radical departure from the corresponding clause in the old form. In the old form the company had the privilege of paying the assured the limits provided in the policy and withdrawing, allowing the assured to make the best settlement or settlements they could, paying the amount required for settlement and expenses out of the amount paid the assured by the company. In the new Maryland policy this is changed, in so far as it applies to the first limit. The company cannot pay the assured the first limit and withdraw from the case, although it (the company) still retains the privilege of paying the second limit—that is, in any one accident where more than one person is injured. It is true that several companies have eliminated this clause entirely, and while, in this particular, it may be claimed that their policy is better for the assured than the Maryland policy, we feel that there are so many other points of superiority in our policies that this one point is far overbalanced by the general superiority of the Maryland policies. It may be, and no doubt is, entirely safe to eliminate this clause entirely for certain classes of business, but this company feels that, as a whole, it is not yet ready to give up its right to pay the second limit.

The next clause corresponds to condition "M" of the old policy. It is much shorter, simpler and clearer than the old clause, and provides, which the old clause did not, that all audits must be made within twelve months after the termination of the policy. The next clause—the cancellation clause—is practically the same as in the old form. The statement regarding the minimum premium is also practically the same. This ends the policy, and we feel that we now have the most concise, clearest and best policy, other than our own perfect form, ever issued by any liability company.

It will be noticed that the following conditions that were in the old standard form are not found at all in the new form—condi-

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FIRE INSURANCE AGENTS
CAN GET
LIBERAL COMMISSIONS
ON CASUALTY LINES

PHILADELPHIA CASUALTY CO. PHILADELPHIA PA.

(Continued from page 12.)

tions F, G, H, I, L, N, O, and most of B, and parts of J and M. In putting these forms in the hands of its agents the company feels that it has equipped them with the best in the business, and it looks to them to use this equipment to the best advantage, in not only a large increase in desirable liability business, but in writing the business at reasonable rates from the company's standpoint, for just as you have to pay more money for better goods in everyday life, so does this policy deserve a better rate than an inferior policy. It is now up to you.

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Fire and Life Ins. Co., Ltd.
OF GOTHENBURG, SWEDEN

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New York Branch, 29-31 Liberty St., New York

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GERMANIA
FIRE INSURANCE COMPANY
NEW YORK.
ORGANIZED 1859.

Cash Capital	$1,000,000.00
Assets	5,185,649.51
Net Surplus	949,260.99

HEAD OFFICE
Cor. William and Cedar Streets.

1825. THE 1908.
Pennsylvania Fire Insurance Co.
OF PHILADELPHIA.

Cash Capital	$750,000.00
Reinsurance and all Liabilities	4,096,833.14
Surplus	1,615,283.97
Total January 1, 1908	$6,462,117.11

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JOHN L. THOMSON, Vice-Pres.
W. GARDNER CROWELL, Sec.
CHARLES W. MERRILL, Asst. Sec.
HAMPTON L. WARNER, Asst. Sec.
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Yearly dividends have been increased for the last three years, 1906-7-8, at a rate equalled by no other company.
Cash values guaranteed in the new life and endowment policies, are equalled by few companies, and excelled by none.
Attractive features have been added to standard policy forms.
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232 WALNUT STREET, PHILADELPHIA.
FOUNDED 1792.

Assets, January 1, 1907		$10,748,864
Liabilities—Reserved for Reinsurance and all other claims	$6,705,870	
Capital Stock	3,000,000	
Surplus over all Liabilities	1,042,994	$10,748,864

Agents in all the principal towns and cities.
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EUGENE L. ELLISON, Vice-President.
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GREVILLE E. FRYER, Secretary and Treasurer.
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HENRY W. FARNUM, Marine Secretary.
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The **new policies** of the Provident are unsurpassed for conciseness and simplicity of form and for adaptability and liberality in all essentials.

The premium rates of the Provident are exceedingly low and are still further reduced by large annual dividends.

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Life Insurance Company of Virginia

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The PIONEER Southern Industrial Life Insurance Company.
The OLDEST Southern Life Insurance Company.
The LARGEST Southern Life Insurance Company.
The most approved forms of Life, Endowment and Industrial Policies issued on favorable terms.

Assets	OVER $3,500,000.00
Insurance in force	OVER $60,000,000.00
Total payments to policyholders since organization	OVER $8,000,000.00

North British & Mercantile

INSURANCE COMPANY,

OF LONDON AND EDINBURGH.

Established 1809.

OFFICE:

76 WILLIAM STREET,

New York City.

CHARTERED 1866.

HARTFORD LIFE

Insurance Company of Connecticut

GEO. E. KEENEY, President.

ALL THAT IS BEST IN LIFE CONTRACTS

EITHER TO BUY OR SELL

$30,000,000 Paid Policyholders and their Beneficiaries.

National Life Insurance Co.

MONTPELIER, VERMONT.

Established in 1850. Operating in 36 States.

JOSEPH A. DE BOER, President. H. M. CUTLER, Treasurer.
JAMES T. PHELPS, Vice-President. A. B. BISBEE, Medical Director.
JAMES B. ESTEE, 2d Vice-President. C. E. MOULTON, Actuary.
OSMAN D. CLARK, Secretary. F. A. HOWLAND, Counsel.

This Company held January 1, 1908, and gained during the past decade:

ASSETS	$40,354,241.29	Gain, 172 per cent
SURPLUS	4,539,688.47	Gain, 149 per cent.
INSURANCE	153,467,472.00	Gain, 100 per cent.

Its life, term and endowment contracts are liberal and attractive.

J. F. MAKLEY, Gen. Mgr., 149 Broadway, New York, N. Y.
J. V. ALEXANDER, Gen. Mgr., 1134-36 Granite Bldg., Rochester, N. Y.
M. H. MULLENNEAUX, Manager, 119 State St., Albany, N. Y.
A. H. GSELLER, Manager, 9 Clinton St., Newark, N. J.

The Connecticut Mutual Life Insurance Company

Stands alone among the American companies of any note, in having repaid to its members, their beneficiaries and estates, in annuities, endowments, death claims, surrender values and dividends, more than it has received from them in premiums. These are the totals:

Received since organization—1846	$249,356,745.45
Repaid as above noted	253,641,382.54
Excess over amount received	4,284,637.09
Assets December 31, 1907	65,003,271.10
Surplus December 31, 1907	2,326,657.25
Insurance in force December 31, 1907	174,716,005.00

President, JOHN M. TAYLOR.

The Agricultural Insurance Company of Watertown, N. Y.

ESTABLISHED 1853.

Assets, January 1, 1908	$2,717,477.10
Total Liabilities, except Capital	1,705,859.80
Joint Stock Capital	500,000.00

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Liverpool & London & Globe Ins. Co.,

ESTABLISHED, 1836. ENTERED THE UNITED STATES, 1848.

NEW YORK OFFICE:
WILLIAM & PINE STREETS.

NEW ENGLAND, NEW YORK, PENNSYLVANIA, OHIO, INDIANA, KENTUCKY, TENNESSEE, ARKANSAS, MARYLAND, DELAWARE, DISTRICT OF COLUMBIA, VIRGINIA, WEST VIRGINIA, NORTH AND SOUTH CAROLINA.

H. W. EATON, Resident Manager.
GEO. W. HOYT, Deputy Manager.

CHICAGO OFFICE:
208—205 LA SALLE STREET

ILLINOIS, MICHIGAN, IOWA, WISCONSIN, MINNESOTA, MISSOURI, COLORADO, DAKOTA, KANSAS, NEBRASKA, MONTANA, UTAH, WYOMING AND NEW MEXICO, INDIAN AND OKLAHOMA TERRITORIES.

W. S. WARREN, Resident Secretary.
GEO. H. MOORE, J. V. THOMAS, } Assistant Secretaries.

NEW ORLEANS OFFICE:
CORNER CARONDELET AND COMMON STREETS.

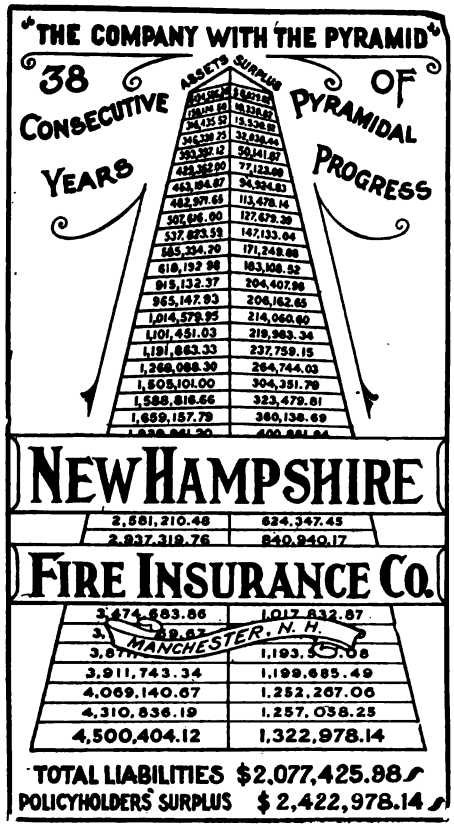
LOUISIANA, MISSISSIPPI, ALABAMA, GEORGIA, FLORIDA, TEXAS.

CLARENCE F. LOW, Resident Secretary.
J. G. PEPPER, Assistant Secretary.

SAN FRANCISCO OFFICE:
422 CALIFORNIA STREET.

CALIFORNIA, NEVADA, OREGON, WASHINGTON, IDAHO, ARIZONA

CHARLES D. HAVEN, Resident Manager.
C. MASON KINNE, Assistant Secretary.



THE

John Hancock

MUTUAL
Life Insurance Company of Boston, Mass.

Insurance in Force, December 31, 1907, Over $459,000,000
STEPHEN H. RHODES, President.

ROLAND O. LAMB, Vice-Pres.; ARNOLD A. RAND, 2d Vice-Pres.; ROBERT K. EATON, Sup't of Agencies; WALTON L. CROCKER, Secretary; WM. S. SMITH, Actuary; GEORGE L. STIMMEL, General Agent Metropolitan District.
St. Paul Building, New York.

THE
METROPOLITAN CASUALTY
INSURANCE CO. OF NEW YORK
Home Office, - 47 CEDAR STREET

CHARTERED 1874
PLATE GLASS
PERSONAL ACCIDENT POLICIES
AND HEALTH
OF THE MOST APPROVED FORMS

EUGENE H. WINSLOW, President
DANIEL D. WHITNEY, Vice-Pres't S. WM. BURTON, Sec'y
ALONZO G. BROOKS, Ass't Sec'y

RELIABLE AND ENERGETIC AGENTS WANTED

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THE EMPIRE STATE SURETY CO.

84 WILLIAM STREET, NEW YORK CITY

Annual Statement, as of December 31, 1907

As determined by examination on behalf of the Insurance Departments of Colorado, Minnesota and Virginia.

LEDGER ASSETS

Book value of real estate		$53,250.76
Mortgage loans on real estate		200,266.15
Book value of bonds and stocks		689,120.15
Cash in company's office		10,508.27
Deposited in banks		57,257.30
Depository bond losses assigned to this company		125,230.32
Bills receivable		3,440.71
Accounts receivable		493.38
Advanced on contracts fully secured		36,900.35
Indebtedness of agents (secured)		23,580.52
Rent paid in advance		1,333.33
Deposited with the City Treasurer, Albany, N. Y.		10,044.33
Deposited with the Court of Common Pleas, Ravenna, O.		12,000.00
Total Ledger Assets		**$1,223,426.57**

NON-LEDGER ASSETS

Interest accrued on mortgages	$2,865.51	
Interest accrued on bonds	5,007.50	
Market value of real estate over book value	8,399.24	
Gross premiums in course of collection less than three months past due	131,482.17	
Gross premiums in course of collection more than three months past due	99,931.16	
Total non-ledger assets		$247,685.58
Gross Assets		**$1,471,111.15**

ASSETS NOT ADMITTED:

Bills receivable	$3,440.71	
Accounts receivable unsecured	308.95	
Indebtedness of agents disallowed	6,281.88	
Gross premiums in course of collection more than three months past due	99,931.16	
Book value over market value of bonds	53,495.15	
Book value over market value of stocks	67,150.00	
Total assets not admitted		230,607.85
Admitted Assets		**$1,240,503.30**

LIABILITIES

Net unpaid claims except liability claims	$141,348.13
Special reserve for unpaid liability losses	49,353.21
Total unearned premiums	353,726.31
Commissions and brokerage due on uncollected premiums less than three months past due	39,646.96
Unpaid bills	5,350.14
State, county and municipal taxes due and accrued	10,807.74
Due and to become due for borrowed money	2,654.52
Due for reinsurance	2,295.01
Due for coinsurance premiums	3,154.13
Capital stock fully paid up	500,000.00
Surplus over all liabilities	132,167.15
Total Liabilities	**$1,240,503.30**

OFFICERS:

WILLIAM M. TOMLINS, JR. . . . *President.*

Moses May, Willard P. Reid, Walter J. Moore, R. S. Keelor, M. D. } *Vice-Presidents.*

Daniel Stewart, . . *Secretary*
Alfred J. Hodson, . *Ass't Sec'y*
Warrel S. Pangborn, . *Treasurer*
Hugo Hirsh, . . *General Counsel*

HOME OFFICE OF THE

Metropolitan Life Insurance Co.

INCORPORATED BY THE STATE OF NEW YORK

The Company OF the People, BY the People, FOR the People.

PROOF OF PUBLIC CONFIDENCE

This company has more premium paying business in force in the United States than any other Company, and for each of the last 14 years has had more New Insurances accepted and issued in America than any other Company.

The number of Policies in force is greater than that of any other Company in America, greater than all the Regular Life Insurance Companies put together (less one), and can only be appreciated by comparison. It is a greater number than the Combined Population of Greater York, Chicago, Philadelphia, Boston, St. Louis, Cleveland, Cincinnati and Milwaukee.

ASSETS.

United States, City and R. R. Bonds and Stocks	$81,500,727.38
Bonds and Mortgages	74,620,197.45
Real Estate	19,905,683.42
Cash	5,258,969.45
Demand Loans on Collateral	3,476,500.00
Loans to Policyholders	6,552,375.12
Prem. deferred and in course of collection (net)	4,772,106.25
Accrued Int., Rents, etc.	2,233,904.15
Total	$198,320,463.23

LIABILITIES.

Reinsurance Fund and Special Reserves	$181,775,579.00
All other Liabilities	1,542,371.65
Capital and Surplus	13,951,899.14
Total	$198,320,463.23

Largest Office Building in the World—Madison Avenue, Fourth Avenue, 23d Street and 24th Street, New York City.

SIGNIFICANT FACTS

This Company's Policy-claims paid in 1907 averaged in number one for every 64 seconds of each business day of 8 hours each and in amount $124.95 a minute the year through.

THE DAILY AVERAGE OF THE COMPANY'S BUSINESS DURING 1907:

452 per day in number of Claims Paid.
6,891 per day in number of Policies placed and paid for.
$1,289,398.45 per day in New Insurance placed and paid for.
$162,489.27 per day in Payments to Policyholders and addition to Reserve.
$72,011.34 per day in Increase of Assets.

OFFICERS

JOHN R. HEGEMAN	President
HALEY FISKE	Vice President
GEORGE H. GASTON	2d Vice President
GEORGE B. WOODWARD	3d Vice President
FRANK O. AYRES	4th Vice President
JAMES M. CRAIG	Actuary
FREDERICK H. ECKER	Treasurer
WALTER STABLER	Comptroller
JAMES S. ROBERTS	Secretary
JOHN R. HEGEMAN, Jr.	Asst. Secretary
J. J. THOMPSON	Assistant Secretary
T. R. RICHARDSON	Assistant Secretary
F. F. TAYLOR	Assistant Secretary
FREDERICK A. BETTS	Assistant Secretary
STEWART L. WOODFORD	Counsel
THOMAS H. WILLARD, M. D.	Med. Direct.
AUGUSTUS S. KNIGHT, M. D.	Med. Direct.
W. S. MANNERS, M. D.,	Asst. Med. Director
E. M. HOLDEN, M. D.	Asst. Med. Director
I. J. CAHEN	Manager Ordinary Dept.

Paid to Policyholders since Organization, plus the Amount now invested for their Security, $407,462,482.06.
Number of Policies in Force, 9,620,009. Amount of Outstanding Insurance, $1,804,946,581.00.

In its Ordinary Department policies are issued for from $1,000 to $1,000,000 on individual lives, premiums payable annually, semi-annually and quarterly. In its Industrial Department policies are issued on all the insurable members of the family for weekly premiums.

Full particulars regarding the plans of the Metropolitan may be obtained at its Home Office, 1 Madison Ave., New York City, or of its Agents in all the principal cities of the United States and Canada.

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The Weekly Underwriter:

AN INSURANCE NEWSPAPER.

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CHARLES A. JENNEY, President and Treasurer. L. ALEXANDER MACK, Secretary.

THE continued and rapid growth of the casualty insurance business in the United States and Canada was demonstrated by the large attendance and interest manifested at the annual meeting of the International Association of Accident Underwriters held at Atlantic City, N. J., this week. In the proceedings, a very full account of which appears in this issue, a number of instructive essays on the phases of the casualty business were read and new statistics were reported upon which important improvements in the business can be based. The value of the organization is well expressed in the language of the president when he said in his address that "the association has been no small factor in keeping the business of accident and health insurance running smoothly and in the proper channels, so that there has been little or no friction at all between its members, and hence little or no waste of energy."

THE uprising of the militant party among the Southern fire insurance agents against the companies on the commissions question was followed by a lightning success in the Louisiana Legislature and an equally speedy defeat at the hands of the Governor. The bill, which was rushed through both houses, substantially without opposition, and apparently without any interest in its merits by the legislators beyond pleasing the agents who wanted it, was entitled "An act to prohibit discrimination by fire insurance companies doing business in this State against local agents in Louisiana in the matter of the payment of commissions and to provide penalties for the enforcement of this act," and provided that the companies should not pay a greater commission to the local agents of other States than is paid to Louisiana local agents on the same class of hazards. Companies were required to file annually with the Insurance Department of the State affidavits that they had not disobeyed this mandate, and if they refused to do so or were caught in the act of disobedience their licenses could not be renewed for the term of one calendar year. It is needless to speculate on what the companies would have done had the bill become a law. The Governor has spared them the pain of thought on the subject by putting the bill in his veto pocket. But there were ominous growls preceding the advices of his action, and it is reasonably to be expected that the incident is closed. The fighting agents injure their cause by snap-shot measures.

THE anti-trust law passed by the Oklahoma Legislature at its session this year and just approved by the Governor does not mention insurance by name as a trust forbidden, but it is the opinion, we are told, of competent local lawyers that fire insurance companies can be reached under the act, and the prosecuting authorities of the State are said to entertain the same view. The phraseology of the act is involved and turgid, as the following section, which contains the nearest inference of any that insurance is meant, is evidence:

> Section 10. Whenever any business, by reason of its nature, extent, or the existence of a virtual monopoly therein is such that the public must use the same, or its services, or the consideration by it given or taken or offered, or the commodities bought or sold therein are offered or taken by purchase or sale in such a manner as to make it of public consequence, or to affect the community at large as to supply, demand or price or rate thereof, or said business is conducted in violation of the first section of this act said business is a public business and subject to be controlled by the State, by the corporation commission, or by an action in any district court of the State, as to all of which practices, prices, rates and charges. And it is hereby declared to be the duty of any person, firm or corporation engaged in any public business to render its services and offer its commodities, or either, upon reasonable terms without discrimination, and adequately to the needs of the public, considering the facilities of said business.

The first section referred to in the above declares every agreement or combination in the form of a trust to be against public policy, and therefore illegal. It will be sufficient for the courts to declare the Oklahoma Underwriters' Association a trust and it comes within the pale of condemnation. It is probably correct to class Oklahoma among the anti-compact States, and in the matter of rate making treat it accordingly.

Two views of the average legislator who makes laws to regulate insurance were presented at the Atlantic City convention this week, one by former Assistant Attorney General Nash of Massachusetts, the other by Insurance Commissioner Rittenhouse of Colorado. The first regards him as perverse and ignorant as to insurance, the second as well meaning but blind. There is a pathetic picture in the Commissioner's essay of the representative —possibly of the cross-roads—who comes up to the State capital with the desire and purpose of doing his duty, but who is so overloaded with unfamiliar work and harassed by the importunities of constituents that he has scant time, if any at all, to study the insurance problems forced upon him for legislative action. The only corrective of this condition, in the opinion of the Commissioner, is the education of the legislator, which must be undertaken by the company. The want of an intelligent perception by the average legislator of the nature of insurance and the proper relations of the State with it is most conspicuous in the matter of taxation, and it is this that induced the commendable action of the insurance commissioners at their last annual convention to appoint a committee to get the facts before the legislatures. Commissioner Rittenhouse in his address at Atlantic City makes the illuminating statement that the insurance companies pay to the State insurance departments for the support of State supervision of insurance license fees and license taxes amounting in round figures to $12,000,-

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000 annually, while the expenses of the supervision are but one-sixth of that; in other words, policyholders are paying the State $10,000,000 for what they do not receive. The average legislator appears to have no idea that this is an injustice to insurance, or that it is a discrimination which is levied against no other similar interest. A recent writer in a legal journal, quoted in the report of the executive committee of the International Association of Accident Underwriters, strikingly illustrates in a familiar form the inequity of this discrimination against the insurance business. He shows what the expense to other enterprises would be if the two per cent. tax which is imposed on the insurance business were imposed on them also, and takes the figures of income and taxes actually paid from the books of four business houses located in the same city of the United States. A drug house paid on gross income an actual tax under the law taxing drug houses of $91. Had it paid the same tax that an insurance company must pay the amount would have been $1,280. A retail grocery paid an actual tax on its gross income of $70, but would have had to pay on the insurance tax basis $1,239. A retail dry goods house actually paid $639, while if it had been an insurance company it would have paid $6,840 on the same income. A wholesale implements house paid $283, as against $9,280. One might almost suspect the outbreak of a popular insurrection were other kinds of business to be treated as insurance is. Further evidence of incompetent legislation is shown in the inequality of the tax burden on insurance in the different States. In Illinois the State is satisfied with less than 1 per cent. of the premiums, and Connecticut with 1.15 per cent.; while North Carolina exacts 4.38 per cent., Mississippi 4.60 per cent. and Florida 5.29 per cent. of the premiums. There is truly work of an elementary character for the insurance schoolmaster to do wherever a State legislature assembles.

Facts and Opinions.

The Appellate Division of the New York Supreme Court on Wednesday vacated the injunction obtained by Henry Moir as a stockholder of the **Provident Savings Life Assurance Society,** restraining James B. O'Keife from acting as a director of the company. O'Keife is the director appointed by the Coyle interests in place of William T. Gilbert, a director friendly to the banking interests, who resigned and then withdrew his resignation. The banking interest, which was represented in the suit by Mr. Moir, owns a controlling interest in the stock of the company, and proposes to reorganize it for the benefit of the policyholders. The Coyle party seek to retain a majority of the board of directors. Justice Clarke, who wrote the opinion of the court, which is unanimous, said: "This struggle is one for the financial control of the corporation as a business proposition, regardless of its character as an insurance company," and pointed out that the application of Moir is really to have the court determine that one man is a director and another is not, and that the first important question is whether the court has jurisdiction in such a case. Justice Clarke said that there is no precedent in law or equity for such an action, and cited cases in which officers of a company have been enjoined, but declared that it is a general rule of the court that a court of equity will not take jurisdiction of a case for the sole purpose of determining the title to an office. In conclusion Justice Clarke said: "I do not think that the plaintiff is entitled to bring the action at bar, nor do I think that the action is cognizable in equity. It is not an action in quo warranto, nor is it a summary proceeding to determine the election of directors, and therefore the order appealed from, not being authorized by the Code of Civil Procedure, must be reversed." The order granted by the court also restrains Coyle and his party from allowing O'Keife to do anything as director of the company. Mr. Moir will probably apply for permission to appeal to the Court of Appeals.

The estimated **loss by fire in the United States and Canada** in the month of June, according to the compiler of the *Journal of Commerce,* was $19,512,000. The comparison of losses in 1906, 1907 and 1908 for the first half year of each is as follows:

	1906.	1907.	1908.
January	$17,723,800	$24,064,900	$29,582,600
February	18,249,350	19,876,600	18,489,700
March	18,727,750	20,559,700	16,723,300
April	292,501,150	21,925,900	26,669,000
May	16,512,850	16,286,300	15,181,150
June	13,950,650	14,765,000	19,512,000
Total, six months	$377,665,550	$117,478,400	$126,157,750

The loss at Three Rivers, Canada, is reported at $2,000,000. Commenting on these figures our contemporary says:

The June losses in 1908 were nearly $5,000,000 greater than those of June, 1907, and were more than five and a half million dollars in excess of the sum chargeable against June, 1906. The first half of 1908 was nearly $9,000,000 more expensive as regards fire loss than the same period in 1907. Fourth of July fires were decidedly light this year, a state of affairs very gratifying to underwriters.

On a summing up on the latest **failure in statesmanship,** the veteran *Insurance Monitor* says:

He rode into public favor and was made Governor of New York solely on the strength of this investigation. He was comparatively an unknown man when it began. He has blossomed out as the great reformer of the State, wielding his own big stick to compel the subserviency of its legislative body to his will. He demanded the head of Superintendent Kelsey at its hands, though unable to produce the charges that would justify the step. He has declined to change his attitude toward the corporations that have so severely suffered at his hands, though the best interest of the State itself called for their relief. He has ridden on the popular wave which he created from a position of comparative obscurity to that of candidate for the Vice Presidency of the nation. His popularity has been won at the expense of life insurance and has been built up on the ruins of a once prosperous business. Governor Hughes justly enjoys the reputation of an honest and well meaning man, but along with it he is looked on by those who have studied his career as at once among the most obstinate and narrowminded of the men who have filled his high office. The moral influence that he has exerted for good may not be denied. But, as a broad gauged public man, he has lamentably failed to rise to the occasion, and many who looked hopefully on his installation at Albany will rejoice when he retires to private life. He was an accident brought to the front at the expense of life insurance.

On February 28 a small loss was suffered on the plant of **the Chicago Reduction Company,** near the stockyards. Proofs were filed with the Illinois National Fire, which had policies for $3,500, on May 12. In the meantime, on May 1, there had been an explosion and fire in which ten men were killed, with a loss of $37,000. On May 17 the Illinois National sent a check for the February loss to the Chicago Reduction Company, the printed receipt reading "policy cancelled and surrendered," which the insured signed and returned. When proof was filed June 24 for the May 1 loss the company set up the claim that the policy had been cancelled and surrendered. The insured claimed that it supposed the paper it signed was a simple receipt for the money. The loss resulting from the explosion of May 1 was finally settled at $36,908, with a sound value of $109,110 and insurance of $111,000. The companies claimed that the explosion preceded the fire, the naphtha process being used for extracting grease, and the settlement was a compromise, the companies paying 70 per cent. of the agreed loss.

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The program arranged for the annual meeting of the **National Association of Local Fire Insurance Agents,** to be held at St. Paul, Minn., August 11, 12 and 13, will contain the following addresses and papers:

"Welcome of the State to Fire Insurance," Governor John A. Johnson, of Minnesota.

"The Company and Local Agents' Associations," A. W. Perry, secretary St. Paul Fire and Marine insurance company.

"Welcome of the Northwest," F. H. Wagner, president Minnesota Association of Local Fire Insurance Agents.

"State and Local Rating Bureaus," C. H. Patton, manager Cleveland (Ohio) Inspection Bureau.

"Factory Insurance Associations," Henry E. Phillips, manager Factory Insurance Association, Hartford, Conn.

"The Business Man and Fire Insurance Agents," D. S. Sawyer, St. Paul, representing the National Association of Credit Men.

"The Spirit of the South," Walker Taylor, local agent, Wilmington, N. C.

"Hands Across the Line," S. C. Young, president Ontario Local Fire Insurance Agents' Association.

For the successor to Joseph H. Woodward, as **actuary of the Connecticut Insurance Department,** Insurance Commissioner Theodore H. Macdonald has finally selected H. Pierson Hammond, from the actuarial department of the Mutual Life of New York. The salary is $3,000 yearly, and his new duties will begin at once. Mr. Woodward, it will be remembered, resigned from the service of the Connecticut Insurance Department recently to become assistant actuary and auditor of the New York Insurance Department at New York city. Mr. Hammond was born in Utica, N. Y., November 1, 1876, and graduated from Williams in 1900. He received the degree of A. A. S. from the Actuarial Society of America in 1904, and in 1905 became by examination a student of the Institute of Actuaries of London.

The booming of James E. Abbott, an insurance agent at Madison, for **Insurance Commissioner of Wisconsin,** in opposion to the present incumbent, has begun. A circular sent out by J. Mabbett Brown, superintendent of the Madison Fire Agents' Association, says:

During this campaign insurance men will have an opportunity to support a practical insurance man in the candidacy of Mr. James E. Abbott, 152 West Gorham street, Madison, Wis. Mr. Abbott is well versed in all branches of the insurance business, having had more than twenty years of experience both as a local agent and a field man. In addition to this he is a lawyer by profession, and is thoroughly well versed in insurance laws. I feel certain that in the candidacy of Mr. Abbott for the Republican nomination at the primaries on September 1 we have a man on whom all insurance men can safely unite, feeling assured in the event of his nomination and election of an intelligent and square deal for all concerned.

The Colorado Insurance Department warns the public against the **Commercial Underwriters** of San Antonio, Tex., saying of this concern: "It has been soliciting and has secured fire insurance contracts in this State in direct violation of the law. It is not authorized to do business in Colorado, and its solicitors should be arrested wherever found. The public should not patronize these wildcat insurance concerns. They defy the law, pay no taxes, and in the event of a legal claim no service can be had upon them in this State. A company that will adopt such a course is not likely to hesitate to rob a claimant." Commissioner Love, of Texas, has written the Colorado commissioner that the Commercial Underwriters is not known to the Texas department.

A St. Louis agent reports the operation of a **home made automatic sprinkler** in the Planters Hotel there. A guest had a table in the centre of his room, with a waste paper basket under it, and a water pitcher on it. Being called from the room, he probably dropped a cigar stump into the basket, for when he returned an hour later he found a hole burned in the carpet, the draperies scorched and the table partly burned and dropped to one side, with the water pitcher broken and lying on the remnants of the basket. It is presumed that the blazing waste paper cracked the pitcher and tumbled it over on the burning basket with such force that the water extinguished the incipient conflagration. The loss to the insurance companies was $85.

An arrangement has been entered into between Messrs. Kelly & Fuller, of the New York insurance agency firm of that name, and William J. De Rivera, who represented the Teutonia of Allegheny, Pa.; the Humboldt Fire of Pittsburgh and the Pittsburgh Underwriters in New York city, by which the agencies of these companies are transferred to the **Kelly, Fuller & De Rivera Company,** a corporation organized solely to transact the business of the agencies of these companies throughout the Metropolitan district. Business is now being accepted at 92 William street, the offices of the new corporation. Mr. De Rivera will not be interested at all in the business or present firm of Kelly & Fuller, but will continue his brokerage business.

It strikes the "Stroller" in the *Insurance Report* of Denver funny that Commissioner Love, of Texas, should have been invited to address the insurance commissioners' convention at Detroit on the **Robertson Investment Law,** after the program committee had decided in New York that no set papers would be heard. "And what a topic!" exclaims Colonel Drew. "Far better if Mr. Love were confined to an essay on the ideal relations among men suggested by his own name rather than burden the convention and consume its valuable time with a review of a piece of silly, damphool legislation, whose disastrous results to Texas, the only State idiotic enough to enact it, place it beyond the pale of sane consideration."

The report of examination of the **Great Western Life** of Kansas City, made by J. A. McVoy, examiner for the Missouri Insurance Department, showed admitted assets of $285,990 and liabilities of $410,439. This exhibited an impairment of the capital stock of the company of $124,449. The liabilities did not include a valuation of the "annuity certificates." Following the same method followed in valuing these certificates used in the examination of the company by the Missouri department last November, on a basis of paid for business May 18, the valuation amounted to $228,864. Should this be regarded as an additional liability the impairment of the capital stock would be $353,000.

Referring to an item published in our issue of June 27 in reference to the **National Mutual Fire insurance company of Omaha,** among those named as being indebted to the company was James W. Durbrow, its former general agent for New York, in the sum of $2,984. Mr. Durbrow strenuously denies that he is indebted to the company for a dollar. He further says that, on the contrary, the company is indebted to him, as per statement filed with the receiver. A possible explanation of the receiver's allegation is said to be his failure to credit Mr. Durbrow with cancelled policies, the premiums upon which had never been paid to Mr. Durbrow.

At the forthcoming annual meeting in Milwaukee of the **agents' association** of the **Northwestern Mutual Life,** the annual prize and championship for writing the greatest amount of life insurance for the year will fall to Dr. Charles E. Albright, a special agent, whose personal writings in his travels about the country amounted to $1,425,550. Previous to the establishment of these figures the record had been held by George Pick, for fifteen years, a hustler who had a corps of agents to help him, but who is no longer connected with that

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company. The achievement of Dr. Albright is certainly a remarkable one.

A press cable dispatch from London says that the Parliamentary committee which has been considering the subject of the risks run by shipping in time of war, and the advisability of a **provision for Government guarantees to ship owners** against loss, has reported that it seems on the whole undesirable that the state should assume this burden. Taking for granted that England will continue to maintain an adequate navy, the committee does not think that there is any great danger that British shipping will be laid up on any large scale. In case of war, the report says, it seems unlikely that there will be any real difficulty in obtaining proper insurance at reasonable rates.

The piers of the **Boston and Albany Railroad** at East Boston, Mass., and the merchandise thereon were destroyed by fire on Wednesday, causing a loss of $1,500,000. Practically the entire loss will fall on the insurance companies, the marine companies being heavy sufferers. The property of the Boston and Albany is under the control of the New York Central and Hudson River Railroad Company, lessee, and the insurance thereon was included in the schedule insurance of that corporation, and was placed through the Eastern Railway Syndicate, the Home insurance company of New York writing the direct policy.

Fire insurance trouble is increasing in **Utah and Montana,** owing to the divided authority and the increased non-board competition. Commissions are maintained at 15 per cent. flat, while in adjoining States on the east graded commissions are allowed. It has been proposed to add Utah and Montana to the territory of the joint supervisory committee, representing the Western Union and the Pacific Coast Board, which now controls Colorado, New Mexico and Wyoming. Graded commissions are then to be granted in return for separation.

The Illinois Insurance Department has been investigating the books of the **Republic Life** since the receivership proceedings. The agents selling stock in the various Rhodus Brothers companies had claimed that the company was writing insurance at the rate of over $1,000,000 a month. The investigation showed that the company wrote no insurance outside of Illinois, and had only $200,000 in force, nearly all of it on the lives of its officers and stockholders.

During an electrical storm the $95,000 turbine **electric generator** at the main power house of the Denver Tramway Company was **burned out.** The damage was about $6,000, and the company has made claim upon the insurance companies for this, although the forms contained the usual clause. "This insurance does not cover any loss or damage caused by electric currents, whether artificial or natural." The companies will contest the claim under this clause.

The generators in the power plant of the Portland, Ore., Railway, Light and Power Company started to race because of an accident, and three generators finally flew to pieces, practically **demolishing the plant.** The metal became heated before breaking up and a piece alighted in a new portion of the building, setting fire to the woodwork. The total loss was $110,000, with a fire loss of $15,000, covered in the Globe and Rutgers.

When the **Columbian National Life** of Boston was beginning to organize its accident department it offered a **prize** of $10 for the best suggestion **for a name for** the **new policies.** Although seventy-seven different suggestions were made, the name "Sterling," offered by Miss Ida C. Keay, of the home office, was unanimously selected by the committee after careful consideration. Hats off to the lady with ideas!

The Appellate Court of Indiana has **reversed a judgment** against the Iowa Life, under a policy on the life of George A. Haughton, holding that the evidence showed Haughton to have taken out that and three other policies after he knew he was afflicted with a fatal disease. He did this, the court held, by suppressing the truth and making statements in the application which he knew to be false.

The **Board of Fire Underwriters** of the Pacific has dropped the following companies from its list of affiliated members: Allemannia, German of Pittsburgh, Prussian National, Ohio German, Germania, Milwaukee Mechanics, New Hampshire, United Firemen's and Seattle Fire and Marine. These companies were not full members, but contributed toward the support of the board.

Policyholders and stockholders of the **Home Life** of New York have received circulars from President Ide, announcing the intention of holding a meeting of the stockholders on July 20 to ratify a plan to **increase** the **capital** of the company from $125,000 to $500,000. The notice explains that the step is to be taken to still further strengthen the company's position.

The **petition** of the **brokers** of **New York city,** filed with the New York Fire Insurance Exchange, and asking that a commission of 15 per cent. be paid on business on which 10 per cent. is now being paid, was received this week at the regular meeting, and was referred to the rate committee. The petition is not expected to have any further consideration.

Two Indiana life companies have asked to be allowed to **sell options** on their stock with policies. The auditor is opposed to this plan, which is under the ban in most States, and, although there is no law forbidding it, will seek to prevent them under the general regulatory powers of his department.

The Vermont Republican State convention on July 1 nominated for Secretary of State Guy W. Bailey, and for State Treasurer Edward H. Deavitt. These officers are ex-officio **insurance commissioners of Vermont.** Mr. Bailey will succeed F. L. Fleetwood. Mr. Deavitt is the present incumbent.

A **general reduction** in fire insurance rates has been made by the Pacific Coast Board **in Utah,** the exposure charge being eliminated from dwellings except where specially serious. The various classes of mercantile buildings are also reduced, except in the congested districts.

The **West Coast Life** has been given a hearing by the Colorado Insurance Department, and has been permitted to continue business in the State on the assurance of the directors that the operating capital will be kept at a satisfactory figure above all liabilities.

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Complaint is made of the new high pressure **water system at Winnipeg, Manitoba,** which cost $1,000,000, it being charged that the building is so poorly constructed that the entire battery of engines cannot be run at once for fear of shaking it down.

Convicted of **larceny** in **lending to himself** the funds of the Minnesota Title insurance company of Minneapolis, J. U. Barnes, president of the company, now insolvent, has been sentenced to two years in the penitentiary.

The Insurance Directory and Business Chart of Baltimore, Washington and the States of Maryland, Delaware and West Virginia, for 1908, is out, and copies can be obtained for $1 from the *Baltimore Underwriter.*

The charter of the **James River Fire insurance company** of Richmond, Va., has been revived, and, complying with the legal requirements, a certificate of incorporation has been filed in the Chancery Court there.

A license has been granted by the California Insurance Department to the **Dixie Fire of Greensboro, N. C.,** and Secretary Cobb, who has resigned the secretaryship, becomes Pacific Coast manager.

The **Maritime insurance company** of Liverpool has made its deposit of $200,000 with the New York State Insurance Department and received its license to carry on an ocean marine insurance business.

The **Chicago office of the Mutual Life** of New York, under Manager William B. Carlile, has written nearly twice as much business during the first six months of 1908 as during all of 1907.

The Louisville Association of Life Underwriters has broken ground in a campaign to **secure the National Association** for that city for the annual meeting of 1909.

The Sovereign Fire of Canada, German Fire of Baltimore, Des Moines Fire of Iowa and American Fidelity of Vermont have been **admitted to Minnesota.**

The **William Penn Fire** of Pittsville, Pa., has been authorized to begin writing business. The capital is $100,000 and the surplus $50,000.

Personal.

AGENCY APPOINTMENTS.

Calumet Fire of Chicago: F. O. Davidson of Michigan, special agent for Kansas and Colorado.

Jefferson Fire of Philadelphia: Merrill & Branoff, general agents for the State of Oklahoma.

Michigan Fire and Marine: Charles A. Cummings, local agent at Peoria, Ill., special agent for Illinois.

National of Allegheny: Norman J. Theiss, special agent for Minnesota, with headquarters at Minneapolis.

Phœnix of Hartford: Charles A. Siefken, special agent in Iowa under State Agent Clark.

Washington Life: B. S. Kirby, general agent for Maryland.

Mr. Frank C. Sturtevant, special agent of the Providence-Washington in the Middle Department, has been appointed general agent for the Eastern department of the California Fire, with headquarters at Philadelphia. The field will include New England and the middle department, excluding the Metropolitan District of New York, which is controlled by Newman & MacBain. The appointment is effective August 1.

Mr. Joseph Bowen, for thirteen years Georgia general agent of the United States Casualty, and later for six years executive special agent of that company, has been appointed manager of the accident and health department at Atlanta, Ga., of the Columbian National Life of Boston. He will work in connection with Alfred Newell & Brothers, managers of the company's life department in Atlanta.

Mr. J. B. Cherriman, at one time professor of mathematics and natural philosophy in the University of Toronto, and for ten years superintendent of insurance at Ottawa, died in London in June. Professor Cherriman was the first superintendent of insurance of the Dominion. He was appointed in 1875, and resigned after ten years' service.

Mr. J. C. Richters, an inspector for the past six years of the Middle States Inspection Bureau, the headquarters being 58 William street, New York, has been appointed manager of its engineering department by the governing committee, the appointment taking effect August 1. Mr. Richters is a graduate engineer from Rutgers College.

Mr. Edward R. Randall has been appointed manager of the liability department of the Atlantic Casualty of Philadelphia. He was connected with the United States branch of the Frankfort, later with the Fidelity and Casualty in the liability department, and still later with the Empire State Surety on the liability end.

Mr. William F. Fox died at Milwaukee June 28, aged seventy-one years. He was for some years special agent of the Phœnix of Hartford in the South and West, and adjuster for the company at Chicago. Later he was secretary of local board commissions 2 and 3 of the Western Union.

Mr. H. E. Phillips, manager of the Factory Insurance Association of Hartford, Conn., will be a speaker at the annual convention of the National Association of Local Fire Insurance Agents to be held in St. Paul August 11, 12 and 13. His subject will deal with factory insurance.

Mr. J. F. Ewens, of Baltimore, Md., connected with the Northern of London for the last twenty-five years, principally as special agent, died suddenly at Atlantic City, N. J., this week. Mr. Ewens was an unusually capable adjuster, and had earned a deserved popularity.

Mr. Harlan H. Hollenbeck has been appointed first deputy fire marshal of Ohio by the new fire marshal, General Rogers. Mr. Hollenbeck was first deputy under his father, S. D. Hollenbeck, when the latter was State fire marshal.

Mr. Charles Rhind, of New York, supposed at the time of his death to be the oldest insured person in the United States, died June 20, aged ninety-eight years. He held policy 2228 in the Mutual Life, issued in 1846.

Mr. Max Cohen, editor of *Views,* has been elected an active member of the International Congress on Tuberculosis, which will meet in the city of Washington, D. C., September 27 to October 12, 1908.

Mr. E. E. Pearce has been made temporary chairman of the committee on fire patrol of the New York Board, succeeding the late William B. Ogden.

Mr. E. A. St. John, of New York, has been appointed manager at Chicago of the National Surety.

Casualty and Surety Insurance.

Unusual accidents of the week were as follows: In trying to stop a runaway horse, a pedestrian was impaled on the wagon shaft, which entered his mouth, causing death; stung by a bumble bee, a man from New Jersey died from the injury; a Camden, N. J., man and his wife were seriously burned when a pot of boiling tar they were lifting from the range fell and splashed over them; a twelve year old boy, accidentally locked up in a moving picture theatre over night, was badly bitten by rats; a hardware merchant, who captured a colored boy who was robbing his store, had his finger badly chewed up when the lad tried to escape; a Wilkes-Barre, Pa., girl, while picking huckleberries, was shot in the back by two boys who were shooting at her pet dog; in a vain effort to save her four year old boy, who had strolled onto the railroad tracks, a mother was hit by the engine and badly bruised; imagining that he had been poisoned by corrosive sublimate and exhibiting all the symptoms of such a condition, a Chicago man died in agony, although an autopsy showed no poison in his system; a Staten Island woman almost choked to death from swallowing her false teeth, but recovered when doctors, who had been working over her for several hours, found the teeth under the bed; the shock of recalling the details of his father's violent death caused the death of a Cincinnati man; a street car conductor was killed by being knocked from the running board of his car by a truck; an amateur aeronaut was killed while making an ascent, his balloon having become entangled in telegraph wires; accidentally grasping the feed wire while working on an electric locomotive, an employee of the Westinghouse Company at Stamford, Conn., was shocked by 11,000 volts of electricity and fatally burned; in a mad dog scare in a Lynn,

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Mass., church, the soprano soloist sprained her foot by jumping from the window of the choir loft to the ground, 20 feet below; three persons were drowned at Medford, Mass., by the overturning of their canoe, which ran into a hawser stretched across the Mystic River; while driving a rake in a wheatfield on the farm of a friend near York, Pa., a well known politician was stricken by the heat and fell dead; jumping from a window when frightened by noise in her home, an eight years old girl fell several stories and was saved by an awning; a seven year old girl who admired her father's scarfpin and swallowed it is not expected to live; because he applied pork to a wound in his foot made by the tines of a pitchfork, a Northport, L. I., farmer is dying of tetanus; an actor was badly cut over the eye while runing bases in a ball game at Bayside, L. I., at an outing of the Lambs' Club; a former Princeton football player will lose the sight of one eye because of being hit by a skyrocket on the Fourth of July; her clothing set on fire by a boy who thew a lighted firecracker into her lap, a Brooklyn woman was fatally burned; a Kutztown, Pa., woman was immediately killed while watching a fireworks display by being struck by a rocket over the heart; home made powder, which had been secreted in a cocoa box in his mother's closet, nearly killed the woman when it exploded with her in the closet; in trying to save her dolly when attacked by a mad dog, a little girl was badly bitten about the back and legs.

The **Columbian National Life** of Boston claims for its **new accident policies** a combination in one contract of the two great special features of two big accident companies, viz., the 10 per cent. accumulation feature of the Travelers and the "perpetual indemnity" of the Fidelity and Casualty. The manager of the personal accident and health department, Sidney N. Moon, has the following to say of the new contracts in the current issue of the *Columbian:*

The various forms of policies to be issued by the Columbian National are five in number: (1) "Death Only." This form of policy is of limited use, but is occasionally demanded in connection with partners and business requirements. (2) "Health Only." While the issuance of the "Health Only" policy is scrutinized with great care, yet the company is willing to accept such risks up to the age of fifty-five at regular published rates. (3) "Straight Accident." This form of insurance costs less than the "Double Indemnity," is not commonly in use, but is available in cases where the "Double Indemnity" cannot be issued, such as employees on a railroad or on a common carrier. (4) "Double Indemnity." This policy is made one of the leading features, and every benefit that can be safely given has been embodied in the contract. (5) "Disability." This policy is a combination of the "Health Only" with the "Double Indemnity" mentioned above, and together with that policy is made a leading feature of the accident and health department of the company. * * Every clause in the Columbian National policies has been carefully reviewed, and the utmost care given to the clear expression of the intention without any uncertainty or unnecessary language. The arrangement of the various benefits in a logical sequence enables anyone to readily find a clause for which he may be seeking, but to assist the insurer and agent an index has been printed on the two leading contracts showing the various benefits and the number of the article where they can be found. The contracts are today the embodiment of all the attractive features of the insurance policies now before the public.

The **Fourth of July,** although perhaps not the very bloodiest on record, nevertheless, taken the country over, held up its end in **injuring young America.** The figures given by the *Tribune* of Chicago show that 71 were killed and 2,624 were injured in the celebration of the day. That this is an incomplete table is evident from the fact that countless injuries and some deaths almost always occur in various smaller places in the United States, about which nothing is ever heard except in the village paper. In New York city six were reported dead, while no accurate figures are at present obtainable as to the injured. The number of injured given for this year by the *Tribune* for the country generally shows that 1,183 more were hurt a year ago than this year; in fact this year's total is the smallest number since 1901, when 1,803 were injured. As for the deaths from lockjaw and infected wounds, these will not be heard from for several weeks, and then the death list will be considerably swelled. The passage of a State law prohibiting the manufacture and sale of explosives for work on the Fourth should be agitated by the insurance interests, especially the fire and accident people, who have to pay most directly for the amount of powder burned. It certainly ought to be possible to pass such a law, restricting and eliminating anything but harmless pyrotechnic displays. In these days when anti-betting, anti-racetrack, anti-cigarette and prohibition bills are so popular, why should we not have an anti-firecracker bill? Still, maybe the powder trust would kick.

According to *Indemnity,* the policyholders' paper of the **Preferred Accident,** the average man insures himself against about everything but injury when he starts out on his vacation. The following vacation warning is given:

The next three months form the great vacation period, and hundreds of thousands during that time will hie themselves to sea, wood or mountain for a brief respite from their daily tasks. Preferred policyholders, or those likely to become so, are apt to be workers, and we trust that all will find their outings genuine upbuilders, both for body and mind. But this season of joy and freedom from care does not mean freedom from responsibility and danger. Many will try their fortunes on steamers, by unaccustomed railroad routes, in unwonted pastimes, in dips in pool or ocean, in hundreds of ways where their personal safety is not so secure as at home. Every sort of preparation you make is insurance of a sort. You insure against social criticism by providing suitable clothing, that you may appear as becomes a gentleman. You insure against the night chills by taking with you some sheltering outer garment. You insure against financial embarrassment by taking necessary expense money with you. But steamers burn or encounter collision, and excursion trains are peculiarly liable to wreck and disaster. Swimmers in cold lakes, rivers and pools are liable to illness and cramp. Have you provided accident insurance against these casualties, or if you have a policy have you thought to pay the premium? Wouldn't it be a little hard if, for example, you are a salaried man, to go home crippled and disabled from business, and without any means of special indemnity? Wouldn't you feel easier in your mind—would your recreation be sweeter and more helpful if you knew the Preferred was ready to back you in case of any of these misfortunes which are so liable to occur? Put the receipt for your accident in your safe or your inside pocket before you go, and then you will have a vacation worth taking.

Suit against the new **Atlantic Casualty** of Philadelphia was begun this week by George W. Smith, Jr., formerly connected with the Empire State Surety of New York, who joined the Philadelphia company at its organization last year, with the title of general manager. The suit is for $50,000 damages, and is directed against the following officers of the company: Charles C. Beyer, president; Seward L. Bowser, secretary and treasurer; Frank K. Kohler, superintendent of agencies; Thompson S. Westcott, a director and stockholder. The statement of claim filed in the Court of Common Pleas at Philadelphia charges an unlawful conspiracy on the part of the defendants to injure the plaintiff's reputation and secure his discharge as general manager. It is stated that Secretary Bowser influenced the plaintiff to give up his good position in New York to join the Atlantic under a three year contract at a salary of $5,500. Smith then charges that misrepresentations had been made to him, and that he discovered that the law was not being strictly obeyed, and that the officers were devoting most of their time to selling stock of this company instead of building up the business. As a result of his protests that the law be complied with Smith declares false charges and complaints were made against him, on account of which he was finally discharged.

A few of the epigrammatic sayings of the agents' paper of the **North American Accident** of Chicago are reproduced below:

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Fortunately for the average man, his brains are not on exhibition.——Some men are guided and some others are "guyed."——Some agents never attempt to accomplish anything because they are unable to find an easy mark to put up a "bunch of money."——Everything sounds like an encore to some men.——Some agents have such weak eyes they actually couldn't tell the truth if they saw it.——We judge a man's ability by what he does—not by what he threatens to do.——Many a man who knows he is right lacks the energy to go ahead.——One cheer is better than a dozen howls. Try it!——One today is worth an eternity of yesterdays.——Many a man's hard luck is due to his efforts to avoid hard work.——Learning from the mistakes of others is the philosophical way of acquiring an education.——Unkind words are always the wrong kind.——Most self made men worship their creator.——When a man thinks himself good for anything he is usually good for nothing.——So it's honorable—it isn't what you work at half as much as it is the way you work it that counts.——If you would learn of a man's good deeds attend his funeral.——If one-half was accomplished that people are going to do tomorrow this old world would move some.

In the current issue of the *Monthly Bulletin* the Fidelity and Casualty explains its use of **bonds of counter indemnity.** It says:

Sometimes when our investigation of a man discloses adverse conditions, and we find ourselves unable to bond him, we are asked to issue a bond nevertheless in return for a counterbond of indemnity given to us by some responsible person in behalf of the applicant. This happens so often that we think it worth while to explain under what conditions we deem it proper to accept such indemnity and bond the applicant. We consider that it would be an act of bad faith on our part to bond a man upon receiving security ourselves when we would not bond him otherwise and on his own merits—unless we did so after having stated the circumstances fully to our assured, and received his consent to the course described. We know that some surety companies do not deem it necessary to go to this trouble, but we do not see how there can be two opinions about it. People who buy bonds are paying for indemnity from losses up to a certain limit; in addition they are entitled to believe that our inquiries are thorough, and that the career, antecedents and personal environment of the person bonded are such as to give promise of high character and efficiency. It is obvious that the assured is deceived when, expecting and paying for all this, he gets instead, without knowledge, an employee whose credentials are so defective that the surety company is not willing to take the risk unless it receives counter security.

Concerning **deceptive accident dividend promises,** Commissioner Rittenhouse, of the Colorado Insurance Department, says:

Certain assessment associations and so called fraternal societies issuing accident and health contracts offer as an extra inducement promises of dividends at the end of five year periods. Some of these contracts have an imposing array of coupons attached, each bearing in conspicuous figures the sum which is apparently to be paid at the end of the period. These amounts generally run from $100 to $500 for each coupon, and the impression is given that this is the amount to be paid, but a careful reading of the fine print immediately preceding the amount discloses the two words "not exceeding." This is especially designed to deceive; if it were not, the words "not exceeding" would be in as large type as the maximum amount. Some of these contracts are without coupons, having a clause to the effect that "not exceeding" 90 per cent. of the premium paid may be returned at the end of the period, the words "not exceeding" being again in fine print. These contracts would be legally fulfilled if but $1 on one, and one per cent. on the other, were paid at the end of the period. While very high rates are often charged it would be utterly impossible to honestly earn or save enough to return any such sums as are usually named.

The **United States Accident Association** of Detroit has been reinsured by the National Casualty of the same city, thereby ending the official life of the third largest assessment organization in Michigan. The company had 5,439 policies in force on January 1 last, amounting to $715,900, and also had on deposit with the Michigan Insurance Department $3,200. The United States Accident took over the Pittsburgh Sick and Accident Union several months ago, and intended to go on the stock basis, but this was never done. The American Health and Accident of Detroit, which is now involved in receivership proceedings, came near being absorbed by the United States Accident, but legal complications frustrated the deal. A. C. McGraw, general manager of the United States Accident, has been appointed a field man of the National Casualty.

Providing the **gold mine** in which the **defaulting cashier,** William Montgomery, invested a good part of the money he stole from the Allegheny National Bank of Pittsburgh proves profitable, as now seems probable, the bank, which lost about $2,000,000 through the peculations of this trusted employee, may be reimbursed. Montgomery after his arrest turned over all his stock holdings to the bank examiner, and these have been placed in the hands of Receiver Lyon. Montgomery plunged heavily in the stock of a mine in the Bullfrog field, Nevada, having loaded up when it was selling around $1 a share. Later it dropped to 17 cents a share. Word has reached the East that a 10 inch streak, showing gold averaging $5,000 a ton, has been found. If the mine pans out well the receiver should feel greatly relieved at his luck.

The Fidelity and Casualty has the following to say regarding changes in its **residence theft** policy:

We have recently introduced into our burglary policies a clause indicating that we are not liable for a simple disappearance of articles covered by or against loss by burglary, larceny or theft. Cases have been numerous of claims made on no better ground than that the articles were missing. When reasonable evidence has been presented indicating that they must have been stolen we have paid for them. In some of these very cases we have learned later from the policyholders that the given articles have been found. There is no purpose to change our practices at all. We grant "insurances that insure," and we will pay hereafter as in the past for articles that have disappeared when the circumstances are such as to justify the belief that they have been taken by burglary, larceny or theft. When we say this our agents at least will know that the statement means just what the words imply.

To settle all rumors that Assistant Secretary Gilbert Congdon, of the **Empire State Surety,** and William S. Pritchard, manager of the court bond department of the Empire, were anticipating making other connections, these gentlemen have asked THE WEEKLY UNDERWRITER to print the following statement:

There have been rumors that Gilbert Congdon and William S. Pritchard, formerly connected with the National Surety Company, now agency superintendent and manager of the court bond department respectively of the Empire State Surety Company, are about to sever their connection with the Empire. This rumor is absolutely false, both gentlemen being eminently well satisfied with the Empire and its future.

The reorganized **Burglary Underwriters' Association** already has a fight on its hands, as this week the American Fidelity of Montpelier came out in the open with the announcement that it would issue the old form of policy now tabooed by the association, and pay 30 per cent. commissions, the amount paid generally by the companies up to July 1, when members of the association decided to make 25 per cent. the maximum. Although not quite all the companies writing burglary business have entered the fold, the number inside is so overpoweringly large that the business should be considerably benefited by the resulting uniformity.

Because of the announced intention of the **Ætna Indemnity** to withdraw from Massachusetts, James R. Chandler, formerly New England manager of the company, has become associated with Bertram C. Waters, of 92 Water street, Boston, in the general agency of the American Bonding of Baltimore for eastern Massachusetts, under the firm name of Waters &

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Chandler. Mr. Chandler has also been appointed superintendent of agents of the American Bonding for New England. The office force of the Ætna there goes over to the American Bonding.

A bond exceeding $500,000 in amount and having a premium between $3,000 and $4,000 was written a few days ago in Atlanta by Aaron Haas Sons & Howell, agents of the Fidelity and Deposit of Baltimore. The Southern Railroad is defending a suit in which alleged overcharges on big shipments of lumber are involved, and the bond in question had to be filed to enable the matter to be carried to the higher court for review. The **possibilities of the surety business** are daily growing.

A **ban on the acceptance of personal sureties** has been declared by the head camp of the Modern Woodmen of America, as the order has lost heavily in the past through the failure of banks where the deposits were guaranteed by personal bonds, which turned out to be forgeries. Hereafter surety bonds must be provided or collateral securities in the form of negotiable bonds in the amount of $1.10 for each $1 of funds deposited.

The **American Surety** of New York is searching for William Cottingham, an agent of the Indiana Union Traction Company at Tipton, Ind., whose bondsman the company is. He left Tipton on June 27, accompanied by the wife of another railroad man, and her two year old daughter. Money amounting to $1,000 was taken from the company's safe at that time. The apprehension of the man is expected in the near future.

The **Pittsburgh Casualty** expects to begin writing business July 15, as its charter has been granted and arrangements have been made for the deposit of $100,000 with the Pennsylvania Insurance Department. The company's surplus will be $50,000. Officers have been elected as follows: James B. Haines, Jr., president; Louis C. Sands, vice president; John M. Boggs, secretary, and George Z. Hosack, treasuer.

A **change** of **name** has been effected by the **Ohio Casualty Company,** recently organized at Columbus, with a capital of $100,000, which will hereafter be known as the Columbus Casualty. The company's capital stock is already paid in, according to the recent announcement made at the directors' meeting. It is expected that the company will enter all of the Western States.

Our attention has been called to the fact that **Indemnity,** the policyholders' paper put out by the **Preferred Accident,** is still very much alive, as is its genial editor, George W. Hatch. The *Perambulator* flourishes side by side with *Indemnity*, the difference being that the *Perambulator* is issued particularly for the benefit of the company's agents.

A denial has been made by the **Pennsylvania Casualty** of Scranton that it had any intention of contracting its steam boiler business and allowing its liability on this class to run out. Secretary Kingsbury says that the company "has not decided to do any such thing, nor has it even considered it."

A **prize** of $10 has been offered by the American Assurance of Philadelphia to anyone who submits the best drawing or design representing a **trademark** appropriate for the use of the company in its advertising and other printed matter. All drawings must be submitted by August 1.

A joint examination of the **Ætna Indemnity** is being made by the New York and Connecticut insurance departments, at the request of the company's officers, for the purpose of verifying its condition under the recent change of capital.

With the following officers the **Merchants Life and Casualty** of Minneapolis has been incorporated: M. J. McMichael, president; M. J. Guilford, secretary; C. B. Fraser, treasurer; Dr. Thomas T. Warham, medical director.

The entire business of the **Lawyers' Title Insurance and Trust Company,** now located at 37 and 59 Liberty street, New York, will be removed about August 1 to the company's new building at 160 Broadway.

Obituary.

Death of William B. Ogden.

The death of William B. Ogden, of the well known New York insurance firm of W. B. Ogden & Son, successors to Ogden & Katzenmayer, of 19 Liberty street, which occurred at the Ogden summer home at Larchmont on Sunday afternoon, took from active business life one of the most highly respected of the veteran underwriters of the insurance district. Death resulted from stomach trouble, but on June 25 Mr. Ogden was able to be at his office, and his illness did not take a fatal turn till June 28.

Mr. Ogden had been in the insurance business for fifty-one consecutive years, and had a host of friends among both the older and younger men in the business. He was courteous to all, and willing to help all who came to him for information and advice. He started his insurance career as an office boy with the old North American Fire of New York, and worked his way up rapidly. He left that company to establish an agency, representing the Commerce of Albany, but subsequently resigned and joined the agency of Charles W. Standart. Later he became associated with the Brewers and Maltsters insurance company of New York as secretary, and when that company retired, early in the 70s, he joined with Richard Katzenmayer in the formation of an agency and brokerage firm under the name of Ogden & Katzenmayer. They have represented the Newark Fire for the past twenty-seven years, and some ten or twelve years ago again became agents of the Commerce of Albany. The firm name was changed last May to W. B. Ogden & Son.

As a member of the fire patrol committee of the New York Board of Fire Underwriters, and its chairman for the past eleven years, Mr. Ogden rendered signal service to fire underwriters, while the interests of the patrolmen, their salaries and general well being were matters in which he took a personal concern. He had always advocated better pay for the men, and favored placing them on the same basis as the regular firemen of the city, who, he thought, received much higher pay for work often not a whit more hazardous than that of the patrolmen. Mr. Ogden often spoke of this matter and the need of the patrolmen for adequate pensions for death or disability while in the service.

Although sixty-six years old at the time of his death, Mr. Ogden had rounded out a busy life. He leaves a widow, son and daughter. The funeral was held from his late residence on Tuesday. At a special meeting of the New York Board of Fire Underwriters this week appropriate resolutions were adopted on his death. These resolutions were drawn up by a special committee, composed of E. G. Snow, James A. Alexander and A. M. Thorburn.

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INTERNATIONAL ASSOCIATION OF ACCIDENT UNDERWRITERS.

Twenty-first Annual Convention at Atlantic City This Week.

The twenty-first annual convention of the International Association of Accident Underwriters was called to order in the solarium of the Blenheim side of the Marlborough-Blenheim, overlooking the famous board walk, Atlantic City, N. J., at 10 o'clock Tuesday, with an attendance of about forty companies represented by some fifty delegates from all sections of the country.

President Alexander is a most businesslike executive, and the opening session was carried through as per schedule.

Chairman Moore, of the entertainment committee, introduced Mayor Story, of Atlantic City, who made a speech of welcome, and Edson S. Lott, on behalf of the association, made a felicitous response.

Mr. William Bro Smith, of Hartford, presented a special report of the executive committee, showing a total membership in the association of fifty-eight companies, the admissions during the year being the United Surety, Columbian National Life and German Commercial.

ADDRESS OF THE PRESIDENT.

Mr. H. G. B. Alexander, president of the association, read his address. The following are extracts:

It is with great pleasure that I am able to say at the opening of the annual convention of this association that the present condition of it and of its constituent members is very properly a cause for congratulation. The country at large has just emerged from a period of financial depression and financial stringency. The effect of this condition has been far reaching in all lines of business, and it is certainly a cause for congratulation that every member of this association has met, promptly and in full, every financial demand upon it during this period, and this without resort to unusual methods. That the business of accident and health insurance was upon a sound and substantial financial basis was already known to us, but now events of the last year have made it known more clearly to the public. I know of no line of business which has suffered less during the last year than that which engrosses our attention, and in fact I may say that this financial depression has partly compensated for itself, from our standpoint of view, by again demonstrating to the public its need for protection in hard times even more than in prosperity. The demonstration has borne fruit quickly, and I believe that the protection afforded by the policies of our members has never been in greater demand than at present.

That our association has been no small factor in keeping the business of accident and health insurance running smoothly and in proper channels, so that there has been little or no friction at all between the members of this association, and hence little or no waste of energy, should also be a subject of satisfaction to us all.

Some pointed, and at times even unfair, criticism has been made during the past year that the association has taken no decisive steps toward

INAUGURATING SOME REFORMS

which its members quite generally, as individual accident and health underwriters, have been free to admit were wise and necessary for the best growth and permanence of the business. It is not my purpose to speak at the present time upon the advisability of action along these lines. Later when the subject may be before the convention I will give my views for what they may be worth, but now I merely desire to point out that this criticism is ill-founded and that the association does not need now, any more than it has in the past, to give greater justification for its existence than may be found in the good that it does for the business of accident and health insurance as a whole by the dissemination of the knowledge obtained by each from his individual experience.

The active managers, alike of stock and mutual companies, large and small companies, meet here on an equal footing, share each with the other the knowledge and experience gained during the preceding year, and profit thereby not only in a business way but in other and more noble ways, that is, by the acquaintances made and the friendships formed. The International Association of Accident Underwriters is now in its eighteenth year, and there can be no greater proof that there is a strong benefit derived from it than can be found in the fact that during all these years our organization has held strongly together and now numbers among its members a greater percentage of the eligible companies than any other similar organization in the country. Its name and fame are known wherever accident insurance is written upon the continent, and almost as soon as a new concern becomes active in the field of accident and health underwriting a new name is added to our roster.

But do not understand from what I have just said that I advocate that the association should be content with conferring what I may call, for the want of a better name, passive benefits, or that I in any way deem that this association answers its full purpose in acting merely along the lines I have indicated.

CONSTRUCTIVE WORK IS ESSENTIAL

to the success of any organization, and the members of this association need but short memories to call to mind the actual betterment of insurance conditions which has been effected by this organization. New fields of activity and thought are being opened to the association each year, and while, perhaps, it does not always proceed with the rapidity and directness that some of its members may advocate, it nevertheless has in the aggregate effected great results, and it has effected them so silently, so steadily and particularly so harmoniously that unless we pause to review and recapitulate we are apt to underestimate its accomplishments.

Criticism from within may be more readily refuted, though it is regrettable that such criticism should exist. "Out of nothing, nothing comes." This old Latin proverb seems particularly applicable to the results which have followed certain resolutions passed at previous gatherings of this association, and tersely explains why certain committees are unable to here present reports embodying information called for. We have in convention agreed that we should have certain information, and we have promised individually to furnish our quota thereof, but we will learn that many of us have been remiss in the fulfillment of convention promises. The avowed object of this association is the advancement of the general interests of accident and health underwriting. Such advancement will result from co-operation, and only from co-operation. Those who withhold co-operation must withhold criticism also.

As recent examples of new work undertaken by this association or its constituent members, I may mention the creation of the George E. McNeill medal for heroism in life-saving. Years ago there was pointed out to us by one, the memory of whose noble life we shall ever cherish, and in loving remembrance of whom we bestow the medals, the way by which we, as accident underwriters and believers in the doctrine of humanity, might, with more brotherly feeling toward our fellow men and with no loss of dignity, devote a portion of our energy to the prevention of disaster and misfortune rather than all to palliation alone. Again, as another example, I may say that although it may not be generally known, one of the associations affiliated with us recently lost three of its members in a hotel fire. This hotel had been condemned as a fire trap a number of years previous, but had been permitted to continue in business and endanger the lives of its patrons until at last what might have been expected happened, with the sad result I have named. A movement is on foot, sponsored, if I am correctly informed, by the associations specializing in the insurance of traveling men, to consider plans whereby the traveling public, which as yet constitutes so great a portion of the insuring public, may be given information regarding places of this character. The association might, with advantage to itself, consider this and other obvious methods whereby accidents of this nature would become more rare and would in reality be accidents in all that the word implies. While speaking of results achieved by this organization I feel that a full share of credit should be given to the gentlemen of

THE INSURANCE PRESS

who have so ably assisted us on so many occasions. The true function of the press is not only the giving of information but

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also the moulding of public opinion, the latter being, perhaps, the more important. Great harm has been done to insurance in general during the past two years by the misrepresentation and unjust criticism of the daily press, and the end apparently is not yet. We cannot hope to wholly eradicate this evil, but an alleviation is found in the continued efforts of the insurance journals, which from their special knowledge are able to place before the daily press and the public the true facts in insurance matters and the true attitude of insurance underwriters. We have, at all times found the insurance journals our true and loyal friends; we are glad to have their representatives at our gatherings, and in behalf of the association I extend to each of them a hearty welcome. An opportunity for constructive work which lies before this association is found in its consideration of the effect on loss ratio due to the

SPECIAL FEATURES EMBODIED IN MOST ACCIDENT POLICIES,

and particularly in the more recent forms. This question is one of the most vital of those which have been up for consideration and yet remains unsettled. At former meetings we have found that the suggestion of recession, so far as the benefits and limitations of the contract were concerned, was repugnant to the ideas and judgment of the members at that time, and it seemed to be the prevailing opinion that the companies were not called upon to diminish the munificence with which they have embellished and adorned their respective policies.

The decision of the association in convention assembled outweighs any personal opinion, and yet I feel obliged to say that in my judgment the question still confronts us. We have repeatedly been told that the public is paying too dearly for its insurance. We have, with equal frequency, assured ourselves that it is impossible for us to reduce our premium charges and continue in the business. Caught between the horns of this dilemma we have endeavored to adopt a middle course and attempted to persuade the public that it was getting more for its money by incorporating in our contracts features which promised indemnities in large sums, payable under conditions which, as a matter of fact, we expected would seldom or never happen, and further, expecting that although we could persuade the public that it was getting more for its money, we would, nevertheless, not be called upon to cash our promises. Have we realized our expectations? Have we secured increased sales of policies sufficient to compensate for the increased loss ratio? Has this movement been in the right direction, and is the "self-selling" policy sufficiently self-selling to compensate for the extra loss it entails?

It seems to me that these are questions worthy of the most serious consideration by this convention to determine whether or not better results both to the public and to the insuring companies could not be obtained by offering to the public simpler contracts of disability protection. Would a greater measure of success attend our efforts if we simplified our policies? We necessarily employ high-grade representatives in the field because our present contract forms are complex and bewildering. Would a simplification enable us to obtain more satisfactory agents and more profitable net results? I would not be understood by the questions I have asked on this subject as necessarily advocating all that my questions imply. I have intended simply to point out to the convention that here is a question worthy of the most serious consideration and study. Another question which it seems to me is worthy of consideration is the effect of the

CONFLICTING COURT DECISIONS

which are piling up upon us. They constitute a serious menace to the smooth conduct of our business, and apparently have their source in the complexity and lack of uniformity in our contract forms. A statement of these facts should be a sufficient preface to the addresses we will be pleased to hear later from our brethren of the law, and our desire for further knowledge from them should be a sufficient refutation to the possible insinuation that we need the services of the legal profession merely to unravel the knots which we ourselves tie.

The subject of taxation is also a live and very important question for our consideration. As accident underwriters we maintain a strong belief that in certain States we are taxed more than a just proportion of our premium income. Your executive committee has gone exhaustively into the subject and has prepared a tabulation showing taxation on premium income, local license fees, statement fees, publication fees, agents' licenses, personal and real property tax, and other fees and taxes which we are required by law to pay. This tabulation upon inspection will reveal conditions that in some respects are truly astounding. It will be presented to the National Convention of Insurance Commissioners with a view of securing action on their part which will result in uniform and reasonable taxation. The subject, as I say, is of the very highest importance, and I trust I may be further permitted to say that each individual company of this association should use its best endeavor to present the subject to the insurance department of the State in which it is incorporated in such manner that the department may feel that its own constituents are vitally interested in the question. * *

REPORT OF THE SECRETARY.

Secretary Robinson made a report, in the course of which he said:

I said last year in my report that if an association of such magnitude is not an enormous power for good in the business of casualty underwriting it would seem to be entirely the fault of the members of it. I wish now to emphasize that statement. We as an association have been criticised in several quarters because of the lack of actual results accomplished. However just or unjust the strictures may be, it must go without saying that the companies constituting this association are missing the benefits that ought to accrue, largely because they do not take a more active part in the work of the association.

Nothing is more vital to the accident insurance business than a correct and complete classification of risks, and yet Mr. Faxon tells me that but a small number of the companies furnish him during the year with the names of new occupations or the changes of old ones which should go into the book.

A comparison of the statement of the companies show that their loss ratio for sickness is considerably higher than for accident. The work of Dr. Keelor's committee is intended to give us the correct figures upon this very important class of business; and yet I am informed that comparatively few companies have furnished him with the information asked for. So far as my work is concerned I get replies to my communications from about 50 per cent. of the membership. At the last convention the secretary was directed to ascertain how many companies had adopted the "Germ Clauses" (which after much consideration had been submitted by the committee), and what the results of it had been. About eleven companies replied. The experience of our worthy president leaves much to be desired in this matter. I believe this association should, in passing a vote of censure upon itself, solemnly resolve to amend.

Mr. L. H. Fibel, of New York, read the treasurer's report, showing a substantial balance on hand. A modest reference to the withdrawal of the funds from the Knickerbocker Trust Company before it closed was warmly applauded.

Mr. H. B. Meininger, librarian, made a report showing a commendable effort and good results in the attempt to get together complete sets of old records and badges of the association.

In the unavoidable absence of Mr. Faxon, of Hartford, on account of the illness of Mrs. Faxon, the report of the committee on standard manual was presented by Assistant Secretary Parker of the Ætna, and on motion of Mr. Fibel a telegram of sympathy was sent to Mr. Faxon.

HEALTH STATISTICS.

Dr. R. S. Keelor, chairman of the committee on tabulation of statistics, regarding health insurance, then presented his report, as follows:

Your committee begs to report that it has received, in response to repeated calls, approximately 21,000 records covering exposures and claims in the experience of companies writing commercial sickness insurance, and written or renewed in 1904, 1905 and 1906, respectively. The handling of the business of 1903, upon which we reported two years ago, demonstrated the fact that in segregating the experience with a view to showing results for certain ages, occupations and localities, a much larger volume of experience than is now at the committee's disposal is required to make up tables of any practical value. Each exhibit must be based on a sufficient number of units to remove the element of chance and establish an average, and that is something calling for more records than are now available. Your committee has another and an equally good reason for not having gone on with the preparation of experience tables from the data thus far supplied, namely, that the cost incident to installing machines, card punching and sorting would have been out of all proportion to the results attainable.

As respects industrial policies, only one company has signified its readiness to co-operate, but your committee very respectfully submits that in its judgment no good purpose can be served in exhibiting the experience of the company in question for the benefit of others that will not co-operate, notwithstanding their agreement to do so. The responses which your committee re-

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ceived from some of the companies in its communications urging a prompt performance of convention pledges have led your committee to believe that some of the delegates who attended the conventions at Champlain and Round Island, when all of the companies represented promised to co-operate, were not clothed with such authority as delegates to the conventions of this association should have, and that some have apparently had no hesitation in repudiating their convention promises, even when such promises had been reiterated. The companies that have responded to the call for their experience have done so at the expenditure of considerable time and money, and it would seem that they have a right to expect that the companies that are delinquent will make good their promises, so that the committee may go on with its task and this expense may not have been in vain.

The importance of the work which this association has undertaken does not begin and end with the determination of the relation of age to sickness. The loss ratios published in the charts and handbooks, which are distributed throughout the country, indicate quite clearly that some of us may with advantage study the general experience which your committee has been seeking to obtain. The general average loss ratio for sickness insurance for 1906 was 40 per cent. and for 1907 43 per cent., and the premium income and the loss ratios of the several companies varied all the way from 27 per cent. to 58 per cent. of the premiums. In accident insurance a few large death losses may be the determining factor in making a high loss ratio for a company writing a volume of insurance not larger than many of the companies are now writing in sickness insurance; but in the business of sickness insurance the loss ratio is not affected in this manner, and therefore where the ratio of one company is higher than that of the others it is safe to assume that its underwriters may learn something from the tabulated experience of others. Your committee reports progress and begs very respectfully to suggest that a definite understanding be reached at this time with respect to further efforts to accomplish what we have set out to do.

Mr. F. J. Moore, chairman of the committee on uniform policy phraseology, made a brief report, stating that no subject had been presented to the committee during the past year for consideration.

GENERAL REPORT OF THE EXECUTIVE COMMITTEE.

The report of the executive committee was submitted by Chairman William Bro Smith. The following are extracts:

As the questions relating to the standard forms of policies, accumulations, beneficiary provisions and the reduction of the weekly indemnity limit have been vigorously discussed at recent conventions without any resulting agreement as to uniform action, your executive committee concluded that further consideration of these matters might well be postponed to await the working of the leaven of experience upon the conditions which have been so loudly decried.

That a number of companies should have concluded during the year to make radical changes in the provisions of accident and health contracts, which have hitherto been accepted as standard, justifies alike the position taken by those companies which opposed any attempt to bind the members of the association to uniformity of action and the position repeatedly urged that the strength and influence of the association must depend on the voluntary acceptance of the suggestions brought out in the discussions and addresses which appeal to the representatives of companies as wise and proper. These discussions were highly instructive and have already produced good results in many ways. It would have been particularly unfortunate if the twentieth convention had assumed to dictate a standard form of accident policy, in view of the recent changes made by responsible companies and of the proposals for legislation in relation to the standard forms of accident and health policies presented to the Legislature of New York by Senator Saxe, to which reference will be made later on.

On the subject of the McNeill gold medal, the president said:

It will be noted that under the vote of the committee the medal may not be presented to those who act heroically in the line of duty. The reason for this exception is that there is now practically sufficient provision made for those who by reason of the nature of their employment may be called upon to expose their own lives to save others, and it was considered wise to limit the distribution of the McNeill Medal to cases where the heroic act was purely voluntary and not in any sense the performance of an imposed duty.

MISSOURI SUICIDE LAW.

Another matter referred to us for further consideration was the Missouri suicide law. Under the adjudications of both State and Federal courts it is now settled law that this statute applies to contracts of accident insurance; furthermore, that to provide in an accident contract that in the event of suicide the amount to be paid as a death benefit shall be less than the contract provides for other deaths by violence is within the prohibition of the statute. We may disagree with these judicial conclusions, but so long as the statute in question remains a part of the law of Missouri we must, if our companies will continue to do business in that State, refrain from issuing to residents of Missouri contracts of accident insurance which provide for the payment of death indemnity, or pay for suicides in the same manner as we pay for deaths by accidental violence. There is but one avenue for relief, and that is an appeal to the Legislature for an amendment of the statute as will exempt from its provisions contracts of accident insurance. In this connection we recommend that at the next session of the Legislature of Missouri this association and its members make a full presentation of the injustice of this statute in its present form and urge an appropriate amendment.

LEGISLATION.

* * * At a meeting of the committee, held on February 15, 1908, it was voted to oppose the bills presented in the Legislature of New York by Senator Saxe and Assemblyman Oliver. The Saxe bill was entitled, "An act to amend the insurance law in relation to forms of health and accident policies." The Oliver bill was entitled, "An act to amend the insurance law relative to statements and representations made by agents of certain insurance companies." The chairman and Mr. Edson S. Lott, in behalf of the executive committee, appeared before the Senate and Assembly Insurance committees in Albany and presented oral and written arguments in opposition to these bills, and their efforts were supplemented by counsel employed to defend the interests of the association.

As stated in our brief in opposition, the effect of the Saxe bill, if enacted into law, would have been to make the Superintendent of Insurance the draughtsman of all contracts of accident and health insurance issued in the State of New York, and for all companies, as the power to approve or disapprove necessarily implied the power to insist upon elimination of provisions or conditions which to the superintendent might seem objectionable, and the insertion of other provisions and conditions which to him might seem wise and proper. Under this bill companies organized under the laws of the State of New York would be obliged to issue the forms of policies approved by the superintendent, not only in New York State but everywhere else, while companies organized under the laws of States other than New York, or in foreign countries, would be free to issue any form of policy everywhere but in New York State, and would be restricted to the approved forms only in the latter.

Although not in terms prescribing a standard policy, undoubtedly one of the results of the enactment of this bill would have been to establish, at least for New York companies as a standard for that State, a form of policy which would meet the approval of the Superintendent of Insurance, assuming, of course, that the power delegated to the superintendent would be held to be constitutional. It could hardly be expected that the superintendent having determined upon a satisfactory contract of accident or health insurance for one company would sanction for other companies contracts which would differ in any material respect from the form so approved. Hence we would have in a sense a standard form and one which might be not only wholly unsatisfactory to the companies but unlike anything ever suggested at any of the discussions of standard forms at conventions of the association. It must have appeared to the satisfaction of the committee in charge that this measure would not only discriminate against home companies but would impose upon the Superintendent of Insurance important duties impossible of proper performance, as the bill was allowed to die in the committee. * * * It was not a matter of great difficulty to convince the Insurance Committee that this bill should not be reported.

Through the efforts of counsel employed by the committee the bill introduced in South Carolina to require insurance companies to pay 10 per cent. of the recovery on any policy as attorney's fees in cases where suit is brought by the beneficiary was reported unfavorably.

In Maryland two measures were presented, one known as House Bill No. 53, introduced by Mr. Malloy, which proposed that financial statements made by corporations transacting business in the State of Maryland should be verified by a certified public accountant. The other, Senate Bill No. 178, introduced by Mr. Gorman, which proposed to tax certain foreign corporations, including life and casualty companies, a franchise tax of $35 upon every $50,000 of its capital stock employed in the State up to $500,000, but in no case less than $35, and with certain additions upon capitalization in excess of $500,000. This bill, through the

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efforts of the committee and the Association of Life Presidents, was so amended as to except life and casualty insurance companies from its provisions.

In Mississippi the Missouri suicide law was proposed for enactment and defeated upon presentation of the views of the companies made in behalf of the association by Mr. Alexander M. Savage, of New Orleans, manager of the Ætna Life Insurance Company.

In Oklahoma Senator Roddie presented an insurance law, to which very careful attention was paid by counsel representing the association as well as the Association of Life Presidents. This measure was revised a number of times upon suggestions made by representatives of the different classes of companies, and would have made a reasonably good code for the regulation of the business of insurance, but failed to become a law.

The report alluded to the resolution adopted by the National Convention of Insurance Commissioners last year appointing a committee to consider the taxation of insurance, and said that this association, in co-operation with the Board of Casualty and Surety Underwriters, undertook the compilation from the casualty companies of the taxes on franchises and premiums, licenses, fees, etc. Blanks were sent to the companies and the effort was partially successful, a number of the companies failing to respond. The results of this compilation are embodied in the following statement:

During the year 1906 thirty-eight stock companies engaged in the transaction in the United States of different forms of casualty insurance received for premiums $47,735,022.84, and paid thereon in taxes, excluding taxes upon real estate and publication fees, $854,077.71. Of this amount $642,953.62 was paid for State premium taxes; $34,974.51 for State licenses; $43,435.21 for State fees other than for licenses; $69,866.25 for State agents' licenses; $21,518.48 for local licenses; $15,307.06 for city and county taxes upon premiums; $24,884.10 for personal property taxes, or 2.10 per cent. of the premiums collected in the year named. When publication fees, which amounted to $17,989.31, and real estate taxes, $54,327.13, are added to the total of taxes and fees first given the aggregate of payments for taxes and fees is $926,394.14, and the percentage of the premiums paid for taxes 2.27. * * *

To secure a reform in this matter of taxation will require persistent and energetic efforts on the part of all of the companies for years to come, and we hope that the members of this association will be so alive to their own interests as to give to this committee and the committee of the Insurance Commissioners' Convention their cordial support and the benefit of such influence as they may be able to exert upon the various tax commissions and legislatures to which applications for reform and relief may be presented. * * *

After a statement by the secretary of the questions which had been introduced in writing for debate the association adjourned at 12:30 o'clock p. m. until Wednesday.

WEDNESDAY'S SESSION.

Wednesday morning's session opened promptly at 10:30 o'clock, with a good attendance, but the weather continued warm and the absence of a sea breeze made the meeting room rather uncomfortable.

President Alexander announced the filling of vacancies on the committees, and then introduced Insurance Commissioner Crouse, of Maryland, who expressed his pleasure at being present, and assured the companies represented at the meeting of the desire of the Maryland Insurance Department to always give them fair treatment.

The president read a telegram from G. C. Pratt, of the New Amsterdam Casualty, who is in California, and a letter from Insurance Commissioner Folk, of Tennessee, regretting their inability to be present, and sending their good wishes.

Mr. A. E. Forrest, chairman of the committee on the George E. McNeill Memorial, made a report. The committee recommended that the medal committee be made permanent; that it have power to investigate cases of heroism, and report its findings to the executive committee. with recommendations; that acts entitling to the medal award shall be performed within the United States and Canada, or the waters adjacent thereto, and that the presentations be made by persons or bodies designated by the president of the association.

On motion of Mr. Fibel, the report was received and referred to the executive committee.

MR. NASH ON INSURANCE LEGISLATION.

The Hon. Frederick H. Nash, of Boston, former Assistant Attorney General of Massachusetts, addressed the convention on the treatment of insurance by legislatures. They have made it, he declared, "a modern outlaw." He cited many instances of ignorant and absurd lawmaking, not only applicable to insurance but to all the affairs of life as well.

I take no blame to myself for avowing disrespect for the conclusions of such popular assembles with regard to the business of insurance. When their intellects turn to this field we wonder and fear, but we do not respect.

When one class of business corporations stands separate and apart as a mark for unintelligent legislation; when the protection of the Constitution, afforded even to railroad companies, is withdrawn from them; when they are forbidden access to the Federal courts, and their establishment in the various States is based merely upon the revocable license of commissioners, each of whom combines in himself the powers of government known as legislative, judicial and executive, together with those quasi-legislative, quasi-judicial powers once peculiar to boards of health, should they not, like the race of people to whom I have ventured to compare them, try to stand together? "I am holier than thou" is not an appropriate sentiment from a Massachusetts or Wisconsin corporation to a New Jersey or Connecticut corporation, or from a mutual to a stock corporation, whose honest business methods are under attack.

As yet the business of casualty insurance has been pretty well let alone. But your time is coming. There is a feeling of unrest among insurance commissioners who stimulate legislation, particularly about the forms of policies in use. I have encountered it in various places. Much gratuitous labor is imposed upon the commissioner by people who take his legal opinion upon the meaning of their insurance policies. If the commissioner, like the chief registrar of British friendly societies, were necessarily a lawyer of twelve years' standing, he would not invite this trouble. But as a layman is always proud to give legal advice the commissioners indulge these people. They naturally would find it convenient to reduce all policies to one form, containing identical provisions. I think you will find a movement on foot before long to accomplish this result by legislation. In my view the statutory policy is pernicious.

If competition among the companies in liberal provisions is a benefit to the insured, the idea of a required statutory form of policy is from the people's point of view one of the great humbugs of modern legislation. If it is good for you that you compete with each other for business, then from your point of view the statutory form is an evil. The doctrine that only a standard amount of work shall be done for a day's pay is beneficent only for the laborer who can do no more. In any aspect a legislative contract is a feature of socialism. Until the State carries on the business it should not dictate the contracts, in the making of which the business consists.

When everybody is in the habit of carrying accident insurance to the limit of his capacity, and you all have all the business you want, then you may gracefully accede to the humbug that a permanent form of policy fills a public need.

But it seems to me, as I have read the reports of this convention for the past few years, that your work in trying to come to an agreement upon standard forms is most valuable and important. Some of you in debate have called it wasted if you do not come to agreement that a standard policy is wise. If, however, some legislative committee undertakes to draft a model policy the public good will demand that the committee receive your assistance. You cannot help the committee or yourselves unless you know what you will most cheerfully take if some standard form is to be thrust upon you. This your convention will doubtless agree upon, though you do not agree that the principle is wise.

THE AUTOMOBILE HAZARD.

Mr. W. D. M. Hooper presented an exhaustive report on the automobile hazard. The inquiry of the committee was limited to the collation of statistics of actual claims paid for accidental injury or death to owners, passengers and chauffeurs, as the actual occupants of an automobile only, and the difficulty of securing sufficient data renders the statistics

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tentative and relative only. The committee's summary of the details obtainable showed that 795 automobile accidents have been reported to it by companies, involving sixteen deaths, for $69,040 benefits, and 779 disability claims, involving 2,137 weeks and four days total disability, and 2;123 weeks and two days partial disability. Of the total accidents 645 were to owners, 106 were to passengers and 44 to chauffeurs. Of the deaths 9 were owners, 5 were passengers and 2 chauffeurs. The most prolific cause of trouble is "cranking," which is responsible for nearly half of the accidents. The other causes were collisions, 13 per cent.; thrown from auto or ditched, 14 per cent.; getting on or off, 5 per cent.; machinery, 5 per cent.; miscellaneous, 13 per cent.

THE LAWYER IN ACCIDENT INSURANCE.

Mr. Lyman A. Spalding, president of the Casualty Company of America, read a learned paper on "The Province of an Attorney in Accident Insurance." He summarized at length the salient provisions of the court decisions on the language of policies and the settlement of claims. Coming to the interesting matter of casualty legislation, Mr. Spalding said:

Scarcely a day passes when efforts are not made by the unscrupulous to introduce measures into the legislatures of the several States to enable them to obtain undue advantage over accident and casualty insurance companies, and only the skill of the lawyer in designing the true intent of the measures, which is often almost securely veiled, prevents the passage. One of the most iniquitous of these (Senate Bill, Int. No. 220) was introduced into the New York Senate at the past session by Mr. Saxe. The object of the bill was to add a new section to the insurance law (to be called "Section 83-A"), which was intended to prohibit any company to issue health or accident policies in the State, except such as should conform as to "blanks, size of type, arrangement, contest, provisions, agreements and conditions, to a printed form which shall have been filed by such corporation in the office of the Superintendent of Insurance, and approved by him."

The proposed section gave the Superintendent of Insurance the right to revoke his approval on sixty days' notice, and imposed a serious penalty for its violation.

Another wicked measure, which related, however, to liability insurance, gave the right to the plaintiff, in an action to recover damages for negligence, to prove that the defendant was insured by an insurance company. (Assembly Bill No. 118.) The object of the bill was to obtain enhanced damages by reason of the prejudice of juries against corporations generally and insurance corporations in particular.

Another reprehensible measure was to impose a license fee of $10 on insurance brokers in the cities of New York and Buffalo, but not elsewhere, throughout the State. (Assembly Bill, Int. No. 6.)

Fortunately, however, for the insurance world, none of these measures secured passage.

The lawyer must be on the constant watch against corrupt legislation, and use every honest means to defeat it, but he must, wherever practicable, plan and lend his support to legislation which has for its object the promotion of the interests of his client. Some of the results thus accomplished are the passage in 1906 and 1908 respectively of bills giving right to do boiler and plate glass insurance in Massachusetts.

It should be the constant endeavor of the lawyer who represents accident insurance companies to bring about a uniformity of the insurance laws in the several States. They are today so diffuse and so at variance with one another that it is almost impossible to frame a contract so as to meet the requirements of all and at the same time express the meaning intended. It seems most unjust that in one State there might be a lawful demand under a policy which could not be enforced in another. I earnestly urge the co-operation of all accident insurance companies and their legal representatives in the effort to uniformize the insurance laws, and trust that it will ultimately prevail.

In closing I desire to quote a distinguished member of the bar of the present generation, John R. Dos Passos, who says in his "American Lawyer":

"The one saving attribute for the lawyer, and through him of society, is fidelity to the client. * * Fidelity is the saving salt of human nature, and ennobles whatever it touches. It is not the exception, but the rule, for the lawyer to surrender his whole mental, intellectual and physical power to his client's cause. There are no sacrifices which he will not make, and no dangers that he will not incur to advance the success of his employment. * * The lawyer is bound to exercise honesty, skill, prudence and care in the management of all business committed to his hands."

It is the province of the lawyer in accident insurance to do all of these things, notwithstanding the untiring energy and strength of character which they demand.

At the conclusion of Mr. Spalding's paper a motion to adjourn until tomorrow was unanimously adopted, delegates being quite willing to exchange the close meeting room for the prospective yachting trip off the beach.

THURSDAY'S PROCEEDINGS.

Thursday morning brought a welcome change in the temperature, it being clear and cool, with a good breeze stirring. The attendance was good. The session was called to order shortly after 10 o'clock a. m. President Alexander introduced as the first speaker Insurance Commissioner Rittenhouse, of Colorado.

INSURANCE COMMISSIONER RITTENHOUSE ON TAXATION.

The Hon. E. E. Rittenhouse, Insurance Commissioner of Colorado, read a paper on the taxation of insurance by governments. He did not argue that the revenue of the States should be reduced, but claimed that the heavy discriminatory tax now collected from the funds of insurance policyholders should be distributed among all taxpayers and corporations in just and equal proportions. Insurance companies paid to State insurance departments license fees and license taxes amounting in round numbers to $12,000,000, and $10,000,000 of this is in excess of the cost of State supervision. In view of public feeling, to secure the exemption of insurance companies is impossible and equalization of taxation is possible. How can this condition be corrected? Here the commissioner said:

I am not in accord with the views of those who indiscriminately denounce our legislators for the existence of this calamity tax. The vast majority of the lawmakers in Colorado, as well as in other States, are, I believe, anxious to protect the rights of the policyholders and of the companies. There are, of course, exceptions; there are people who feel bitter and who are unreasonable in their attitude toward insurance companies; but they are very scarce in Colorado. Our lawmakers come direct from the people and from all walks of life. Their judgment upon questions of this kind may be at fault now and then, as is yours and mine. It is, however, unfair and unreasonable to assume that they set out with the deliberate intention to wrong the policyholders or the insurance companies. When we consider the variety of occupations from whence they come, the extraordinary number and variety of subjects upon which they must pass, and the extremely short time in which they have to study and act upon them, it is remarkable that so little injustice is done.

Insurance men have had years in which to study this question and are familiar with its every detail.

As a result of this study they are unanimously of the opinion that the fees and premium taxes should be reduced to at least the needs of the departments; but what has been done by these custodians of the interests of the policyholders to make these legislators understand the injustice of this tax?

Scattered throughout this country are hundreds of men, not yet selected, but who will sit as lawmakers in the thirty-five or forty State assemblies next winter. What do they now know about this problem and the many others which they will consider during the sessions? There has been no public agitation upon the premium tax question. The probabilities are that not 1 per cent. of these unselected legislators who are now busy as merchants, farmers, wage-earners and professional men, even know that premiums are taxed.

What real knowledge they will gain upon the subject will be obtained after they assemble, and then only providing it is brought to their attention in a proper way. Surely we cannot expect them to voluntarily dig very far into a proposition which they may think has for its purpose the reduction of revenues when the State needs the money. I believe there would be little difficulty in getting their attention and respectful consideration, providing some respect and consideration is shown for them.

DIFFICULTIES OF THE LEGISLATOR.

Nothing can be gained for this reform by constantly expressing contempt and ridicule for our legislators, and charging them with

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being unscrupulous, and with looting trust funds, and with other crimes against the policyholder and his company. This policy is pursued in different quarters, and is, I believe, a mistaken one, and much better calculated to secure an increase than it is a decrease in these taxes. With all their faults, society seems to be resting very safely upon the laws these men have made.

Think of the variety of duties, influences and difficulties with which the lawmaker is confronted if he undertakes to accomplish anything. Put yourself in his place for a moment. Remember that the insurance item is but one of a long list upon which you must act, and always with due regard to the effect of your action upon your constituents, and upon those members upon whose help you must depend to get your bill or bills through. You will find that the expenses of government are constantly increasing, and that you must provide revenues to meet all the wants of the State. On the one hand, you will find an array of constituents and of officials, from departments and State institutions, all demanding new or increased appropriations for some especially worthy or important object. On the other hand, you will find a formidable group, composed of lawyers and other representatives of the large interests, who do not want their taxes raised, or who want them reduced. With them will be men of influence, personal friends, perhaps, to whom you are under obligations for past or expected favors. All hands demand hearings, each being fully prepared to demonstrate that his request is of vital importance, and he may also quietly and unobtrusively mention that unless his wishes prevail he will be unable to prevent unpleasant results to those responsible for his failure.

Is it any wonder that under stress of such conditions unjust measures occasionally find their way to our statute books? But this is the man to whom you must appeal. He comes from the people, and for them he makes the laws, and only through him can laws be modified or repealed. He must be educated upon this subject of premium taxation. If he is not, an attempt to put a bill through reducing this tax has an even chance of resulting in an increase. It must not be overlooked that lawmakers are very sensitive upon the question of taxes.

THE COMPANIES MUST LEAD.

So long as this law is on the statute books of any State it will be enforced. I have, however, frequently called attention to its injustice. It was condemned in my official recommendations for 1906. I later voted for the resolution of the commissioners' convention which called attention to the unfairness of the tax and named a committee to investigate and report upon the subject. This resolution was published in an official bulletin of my department and reached every town and hamlet in the State, as all of them do. In several public addresses I have spoken in favor of a reduction in this tax, and I again called attention to it in my annual recommendations recently published. So I will not be charged with timidity or "cold feet" when I express the opinion that the prospect of correcting this law throughout this country is absolutely hopeless if you are going to leave the job to the insurance commissioners.

The Insurance Commissioners' Convention courageously took up this question, and with the hope of assisting in reducing the unfair features of insurance taxation, or at least to secure uniformity in the rate and method in all States, is collecting data, and will doubtless frame and propose to the States a law to right this wrong. But it must be understood that there is a limit to what they can do. It is scarcely to be expected that where the individual commissioner finds the legislative leaders and a very considerable body of the members opposed to his bill, that he can consistently undertake to fight such a measure through. It must be remembered that commissioners are administrative officers, really employees of the lawmaking power, and while their recommendations may be accepted in a friendly spirit, any attempt to enforce a demand for a reduction of revenue in face of the contrary judgment of those in authority in the admiinstration and the legislature, is very apt to end disastrously for the commissioner taking such a course. Some of them are already familiar with the legislative admonition: "You enforce the insurance laws, we will take care of revenue matters."

The companies cannot sit back and depend upon the commissioners to carry through this reform. The duty of educating these legislators, of carrying this movement forward until victory is achieved, is your, not ours. The commissioners' convention is on record, and will doubtless continue to make favorable recommendations and to assist in every consistent way, but commissioners have many important requests to make of the legislatures. This tax matter could not remain the paramount issue with them indefinitely. It is going to take time to bring this movement to a successful termination. Other matters will engross the attention of these department officers, and the tax matter, in many States, will be dropped if insurance men take no active part in the movement.

State officials are birds of passage. They come and go with the political seasons, but insurance companies go on forever. It is clearly the duty of the companies and their agents to lead in this campaign of education, now that they know that they will have the hearty support of the commissioners wherever it can be given.

EDUCATIONAL CAMPAIGN SUGGESTED.

I therefore take advantage of your courteous invitation to address you upon this subject, to venture the following suggestions:

Let the insurance companies of all classes join in organizing an educational bureau somewhat after the general plan so long used by the associations for and against the protective tariff. Have this bureau take up in a systematic and business-like manner the work of educating the public in general, and governors and legislators in particular, upon this tax question, and upon any others that may be found necessary. Call a public meeting or conference, for instance in New York; have addresses by men of national prominence outside of the insurance business. If this goes well, have another larger meeting, say in Washington or Chicago. If possible have this called or suggested by the Superintendent of Insurance of the District of Columbia, or by his department chief, or even the President himself, if it can be consistently done. Gather a lot of governors at that meeting; they all have influence with legislatures. Also invite prominent State lawmakers. Tell them about this unjust tax and who pays it, and ask their views and their help. Have competent advocates of your cause prepared to appear before committees and governors and others whose help may be needed. In fact, do everything within the bounds of reason to attract public attention to this question, and keep it going.

If you intend to take the position that the excess tax is a double tax, coming directly or indirectly from the policyholders' pocket, you must be prepared to answer this very natural question, which is sure to be asked you by the legislator:

"If this tax comes from the pocket of the policyholder, will you reduce premiums or increase benefits in corresponding ratio to the reduction in the tax?"

You will doubtless be told that, inasmuch as insurance companies own little or no property in most of the States, a high license tax equalizes things between your companies and those that invest in property and pay taxes thereon. You will, of course, be reminded of the amount of money insurance companies take from the States. I shall not presume to suggest arguments upon these points. I know you have them and that they can be presented in a concise, specific and convincing manner.

It seems to me to be of primary importance that you be prepared to show the injustice of levying this ten millions of income tax upon insurance and exempting all other corporations. If this revenue must be collected from the corporations, let it come from all of them in equal and just proportion. A very slight increase in the general corporation tax would relieve the policyholders and the insurance companies of this unjust burden and distribute it among all corporations so lightly that none would feel it. It will undoubtedly take time to make your case clear to the people and their lawmakers, but when you do you will not long be denied this simple act of elemental justice.

In moving a vote of thanks and instructions to print and distribute this address, President Stone, of the Maryland Casualty, characterized Mr. Rittenhouse's remarks as epoch making. His paper, he said, was of great educational value.

Mr. Stone's motion was seconded by E. S. Lott, of the United States Casualty, and carried.

Mr. William Bro Smith, chairman, presented a supplementary report for the executive committee, covering the McNeill Medal matter, and providing that the medal committee shall be elected at the annual meeting and the awards be made at the annual meetings when possible. This was adopted.

The report of the Bureau of Information, presented by W. D. M. Hooper, proved of interest and emphasized the good work done by the bureau. The number of subscribers at present is over 44 casualty companies and 49 transportation and other companies. During the year ending June 30 reports had been received of 131,460 accident and 52,438 sickness claims, both losses showing increases.

Dr. Harbaugh read a paper on "Accidents Caused by Disease," which proved of unusual interest, and the author was accorded a hearty vote of thanks.

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DISCUSSION ON HERNIA.

After a brief recess the subject for debate was taken up. Mr. Fibel contended that hernia was disease and not accident in most cases, and that the accident was rarely liable. Mr. Emo, of Toronto, said that the bad feature in hernia claims was the chance that that trouble followed the accident. His company paid hernia claims in full.

Mr. Fibel was not convinced.

Dr. Meares, of Columbus, said there was no possible doubt that hernia was of accidental origin in nearly every case, and always in case of strangulated hernia. There was no question that hernia would be produced by direct violence, but rarely by indirect violence.

Dr. Harbaugh, of Philadelphia, gave interesting and clear explanations of what hernia is, and how it may be caused. It is not a disease, he said, in conclusion, but an abnormal condition.

On the subject of accumulation Mr. Meininger, of Philadelphia, opened discussion by calling attention to the action of the association at the Muskoka meeting, and the decisive vote on that occasion, when thirty-two companies voted to abolish and but four to retain the accumulation feature of the accident policy. He said that the companies are giving away valuable features without adequate return, and made an earnest plea for a unanimous vote to abolish the feature. The remainder of the discussion on the subject was devoted to a spirited tilt between Mr. Fibel, of New York, and Mr. Moore, of Philadelphia. The former called "accumulations" the greatest folly in the modern policies, and said that almost any company would give away accrued accumulations to twist a policy from another company. He was ready to join in any practical move to abolish the feature.

Mr. Moore, with his customary sang froid, asked Mr. Fibel if his company gave away accrued accumulations, and upon receiving an affirmative reply that it did when necessary, scored a hit by stating that the General Accident did not do so in any case, making the assured pay in every instance.

Continuing, Mr. Moore said that the remedy was to charge for the accumulations.

Mr. Meininger tried for a motion condemning the practice of giving away accumulations, but did not get a seconder.

President Alexander called upon other leading officials to speak, but none responded, and the long awaited discussion on accumulations was closed. It was decided to postpone further discussion until tomorrow, and the session adjourned.

THE BANQUET.

The banquet in the European dining room of the hotel Thursday night was attended by about 150 guests, about one-third of the party being handsomely gowned ladies. The decorations and flowers were very handsome, and large British and United States flags hung at the back of the table. The menu cards were very attractively bound in lavender ooze leather. For variety and service and general excellence the dinner was unequaled in the history of the association.

About 9:30 o'clock President Alexander called for order and introduced Mr. Lott as toastmaster, for the duties of which he is peculiarly well fitted.

Messrs. Moore, of Philadelphia; Commissioners Crouse and Rittenhouse; R. R. Dearden, F. H. Nash, Mayor Stoy, of Atlantic City; Dennis Murphy, of Ottawa, Can., and C. N. Farr, a well known young Philadelphia attorney, were the speakers, and acquitted themselves according to their respective qualifications. Mr. Farr's response was addressed to the ladies and was in excellent taste.

The post prandial honors of the evening, however, should be awarded to Mrs. Edward W. De Leon, who in a well phrased and thoroughly feminine little speech expressed in the best possible manner the true appreciation of the ladies of the convention for the many courtesies they had enjoyed, not the least of which were the exquisite little silver bonbon dishes presented to each lady as a souvenir of the banquet, with the compliments of Mrs. Alexander. The dinner was over at midnight.

FRIDAY'S PROCEEDINGS.

The principal business of Friday's session was the election of officers for the ensuing year. The result was as follows:

President—H. G. B. Alexander.

Vice Presidents—Louis T. La Beaume and John Emo.

Secretary—E. Gilbert Robinson.

Treasurer—F. R. Pitcher.

Executive Committee—William Bro Smith, Alfred E. Forrest, Louis H. Fibel, Franklin J. Moore, George S. Dana, R. S. Keelor, W. C. Faxon, E. W. De Leon and Edson S. Lott.

A PLEA FOR SIMPLICITY.

Mr. Robert B. Armstrong, president of the Philadelphia Casualty Company, spoke as follows:

It has been the usual custom of accident underwriters for a number of years to gather together and discuss various matters, make some few agreements as to future conduct, dine wisely and well in the fellowship of kindred souls and go home and promptly break all of the agreements and resolutions so enacted. It strikes me, as a comparatively new comer in the business, that it would be a good idea to reverse this proposition—pass resolutions which are much easier lived up to.

Would it not be a good idea to pass a resolution that all companies will take the accumulations of all other companies for nothing? That would get a resolution in accordance with most of the facts, and would be comparatively easy to maintain, inasmuch as it would not require a change of method on the part of most of the companies.

I know that it is sometimes hard to be a reformer, but I think a reformer should be at least consistent, and when they suggest a matter of reform of this nature they should be willing to follow it. If such a resolution is passed, I will be willing to take the accumulations of other companies free if they will do the same thing for me.

But in all seriousness it seems to me that the tendency of giving accumulations free has almost wiped out whatever of value there ever was in the accumulation feature of the accident policy; particularly is this true of the reinsurance feature. Companies applying to other companies for reinsurance frequently ask that the accumulations of these policies be taken over for nothing. As a matter of comity and good will, or for the sake of keeping peace and avoiding a riot, reinsurance is granted on those terms. It is a fine way to nullify the accumulation feature.

Some years ago the companies in solemn conclave decided to cut down the limit of health insurance from fifty-two weeks to twenty-six weeks, and ever since then nearly all of the underwriters have been lying awake nights to get around this same proposition. Some have succeeded. Others are now trying to crawl under the canvas and get away from the twenty-six weeks' proposition.

No one can overestimate the value of these gatherings for the promotion of good will and good fellowship and knowledge of the men who conduct the accident business in this country and Canada; but beyond that, in all seriousness, what has the association ever accomplished in the way of bringing business conditions and business principles into the business? Each year it is a question of striving as to who will give the most for the same money or give more for less money. There is a tendency on the part of all companies to hold out real or imaginary benefits in all policies that they bring out, without a corresponding increase in the premium, therefore increasing the load which must be carried by the company.

I do not believe with some that the purchaser of accident insurance is getting more than he is entitled to in the main features, but I do think that up to the present time in most cases he is buying a very peculiar document. Many of the policies which are now issued are complex and complicated in their verbiage, peculiar in their construction, and involved in their arrangement. I believe that the greatest service that can be rendered to the companies today is to issue frank, plain, simple unambiguous policies, and to render the service agreed therein, rather than to tack on each year upon the already archaic structure of the policies new and peculiar architectural devices known as additional, special, extraordinary and grandiloquent benefits.

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So far, casualty insurance has been more or less embryonic. It has been in the formative period of its existence. It has not yet become of age, and the insurance authorities of the various States of the country have overlooked some of the shortcomings due to childishness. The time is coming when with increased age the casualty business will have to assume the responsibilities of the full grown insurance infant. When that time comes the business can no longer escape the peculiar scrutiny that has been levelled at the fire business and at the life business in the past.

I feel confident that I speak by the card when I say that it is only a question of a very short time when the present ambiguous, complicated forms of policies and agreements which are now in use will receive the drastic attention of the insurance authorities throughout the United States. I believe that a word of warning along this line should be given by someone. No one has yet seemed to feel it his duty, and therefore I am prompted to suggest the introduction of simplicity in the writing of our policies.

There is no popular clamoring today for extraordinary features. The public is not wildly shouting for additional benefits that can arise only under impossible conditions. Those things which have cost the companies money in their policies, which have been inserted voluntarily on the part of some, and by the compulsion of competition on the part of others, are due simply to the desire to excel in apparent generosity, which is sometimes more expensive than is expected. The present attitude of adding to each policy furbelows, minarets and other ornamental devices, reminds me of the man who put out the sugar in very ornate packages, increasing greatly the beauty of the label, and paying for it by loading the business with sand.

The policies in the first place need simplification, rearrangement, and sensible, consistent, rigid enforcement. If our policies are made more simple and our business written more carefully, and a stronger adherence to the classifications adopted by this august body, the policyholder will receive more, and the loss ratios of the companies will remain below the point of danger. We have access to different sources of information as to undesirable risks, rejected risks, moral hazard, and yet many of us, spurred on by that spirit of competition which recognizes no brother, accept business that we should not and classify it in a manner that we should not, and pay the penalty for it in a high loss ratio.

Ambiguity of policy, wrong classification and acceptance of sub-normal risks, is an injustice to every normal assured which we may place upon our books. The company which invites expensive litigation through poorly or mysteriously written policies, pays claims on sub-normal risks or invites disaster by accepting wrong classifications, should not have the confidence of those sensible persons who carry accident insurance for what it is. I am convinced from conversation with many of those present today that there is a tendency on the part of those most deeply interested in the success and welfare of the accident business to insist that more of the staple form of insurance be rendered, rather than that time be spent in the elaboration of the label and the decoration of the policy, as has been the case during these latter years of the accident business in the United States.

I am far from being a pessimist in this matter. I believe that the accident business is but on the threshold of its glory, but I believe it is in the power of the men gathered here today, by their own actions, to so simplify the policies and properly safeguard the writing of business that governmental regulation or governmental investigation will be not only unnecessary but unwise.

I suggest, in parting, that if it is the earnest desire of this body to increase the confidence which the insurance authorities now have in the accident and casualty business, that the matter of a standard policy, which I understand has been before one of your committees for some years, be brought before this convention and definite action taken upon it.

MR. DE LEON ON COMPETITION.

Mr. Edward W. De Leon, first vice president of the Casualty Company of America, discoursed on the "Present Influence of Competition Upon Accident Insurance." He said in part:

Competition is defined as "the act of seeking or endeavoring to gain what another is endeavoring to gain at the same time." Competition in accident insurance under present conditions may be broadly defined as the effort of each company to excel in liberalizing policies, increasing commissions and further extending credit for payment of premiums. It is prodigal with promises for the present, and suggestive of more for the future. It reminds one of the telegram received by the traveling man from home which read, "Twins this morning—more later—Sadie." It is admitted that legitimate competition in accident insurance is logical, universal and inevitable. It is the natural stimulus, and in fact the life of the business, and the advance agent of progress and permanent improvement. Along conservative and well considered lines it stirs up rivalry for the development of broader business conditions, sounder methods and more efficient service. In a word, true competition means the conserving of the best and most vital interests of accident insurance. It means a dignified, honorable, intelligent emulation between reputable underwriters for a fair share of business, and a frank and manly interchange of opinions to better meet the ever varying conditions. On the other hand, unreasonable and reckless competition means loss, disappointment and disaster. It affects not only the company and the individuals directly involved, but extends to the whole fabric of the business. It encourages extravagance and waste, promotes dishonest methods and brings discredit upon the entire scheme. * * I submit, gentlemen, it is high time that this association comes to a truer realization of its obligations to the business of accident insurance. The universal criticism is that its members do not keep faith with each other. We pass resolutions here only to disregard them when we return to our respective homes. It is easier and oftentimes far more pleasant to be a warning than an example, but this association must stand or fall upon the good faith that is observed among its members in their relations to one another. Our distinguished and lamented ex-President, Grover Cleveland, once said: "No stream rises higher than its source, and a government by the people will be no better than the people make it." By the same token, the value of the International Association of Accident Underwriters to the companies composing it, and to the individuals who attend these annual meetings must depend upon the integrity of purpose, earnestness and directness with which difficulties are met and obstacles surmounted. According to John Graham Brooks, "Every highest end of life suffers permanent impairment under our reigning capitalism. The family, liberty, the enthusiasm for one's work, the free use of faculty, and even private property, in its larger social sense, all alike feel the crippling influence of the brute struggle in industry called competition." Ruinous competition, like marriage, is a voyage of discovery to which no relief expeditions are sent. True competition means mutual confidence and co-operation to promote and maintain the highest ideals of the business. Like justice, it means "the preservation of the normal connection between acts and results—the obtainment of each of as much benefit as his efforts are equivalent to—no more or less." Above all, it means not the power of might over right; nor the force of millions, nor the prestige of years, but it signifies the "survival of the fittest" by the inalienable right of honorable methods, intelligent effort and aggressive persistency.

The final session of the convention was in progress when this paper went to press.

LIST OF DELEGATES PRESENT.

Ætna Life—J. W. Parker, Jr., secretary.
American Insurance Union—Dr. W. J. Means.
Bankers Accident, Iowa—F. L. Miner, president.
Canadian Railway—Dennis Murphy and John Emo.
Casualty Company of America—E. W. De Leon.
Commercial Travelers, Cleveland—C. A. Nesbett.
Columbian National Life—S. N. Moon.
Commercial Travelers, Utica—George S. Dana and H. D. Pixley.
Commonwealth Casualty—D. E. Stevens.
Continental Casualty—H. G. B. Alexander.
Empire State—Dr. R. S. Keelor.
Employers' Liability—A. F. Merrill.
Equitable Accident—William H. Jones.
Fidelity and Casualty—H. H. Behse.
General Accident—F. J. Moore.
German Commercial—H. B. Meininger and T. L. Pillings.
Great Eastern—L. H. Fibel.
Great Western—H. B. Hawley.
Iowa State—L. C. Deets.
London Guarantee—F. W. Lawson.
Maryland Casualty—John T. Stone and D. H. Scott.
Massachusetts Mutual Accident—G. Leonard McNeill.
National Casualty—W. G. Curtis.
National Masonic—E. C. Robinson.
North American—A. E. Forrest.

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Norwich and London—A. B. Cilley.
Ocean Accident—W. B. Mann.
Pacific Mutual—J. C. Staples.
Philadelphia Casualty—R. B. Armstrong and H. W. Tillinghast.
Preferred Accident—W. C. Potter.
Travelers—William Bro Smith.
Travelers' Protective—R. F. Sharlock and L. T. La Beaume.
United Commercial Travelers—C. C. Daniels and C. W. Rice.
United States Casualty—Edson S. Lott.
United States Health and Accident—J. B. Pitcher.
United Surety—A. G. Ogle.
Woodmen's Accident—C. E. Spangler.
W. De M. Hooper, statistician.

Official Reports.

Massachusetts Fire Insurance Report.

The Massachusetts fire insurance report for 1908, issued from the department this week, contains the following references to the fire insurance situation:

The San Francisco conflagration directed attention to the fact that, in case of the insolvency of a stock fire insurance company, it might happen that those who have perhaps lost their all by the burning of their insured property must share with those who have lost nothing by the disaster, when the bankrupt company's assets are distributed. In other words, the general rule of distribution has been that claims for return premiums on unperformed contracts have had the same standing as claims for losses by fire. This hardly seemed just, in view of the fact that the purpose of insurance is to distribute the heavy losses of the few among the many. The placing of both classes of claimants on the same level in respect to their claims seems to be in conflict with this purpose. This view of the case was set forth in the fifty-second fire report of this department, and followed by a recommendation that a law be enacted that would make loss claimants preferred creditors over those who have claims merely for the return of unearned premiums. Such a law was enacted and went into effect on March 2 of the current year, and reads as follows:

"When a domestic fire insurance company, whether stock or mutual, becomes insolvent, or is unable to pay in full its liabilities as set forth in Section 11 of Chapter 576 of the acts of the year 1907, unpaid losses arising from the contingencies insured against by its contracts shall, in the distribution of its assets, whether liquidation is effected by a receiver or otherwise, be deemed and treated as preferred claims over claims for return premiums on uncompleted contracts. But nothing in this act shall impair the obligations now or hereafter imposed by law upon the officers of a mutual company to make assessments to pay all legal obligations of the company."

THE CONFLAGRATION HAZARD.

The weakness of human effort in coping with a conflagration in a city has again been demonstrated in Massachusetts. This is the second time within a generation, and there is now no reason why people living in our thickly settled communities should be ignorant of the fact that there is a certain conflagration hazard to which their property and to some extent their lives are subject. This is a hazard outside the usual burning of a house or city block, which is the kind of loss people usually have in mind when they insure their property.

The insurance companies have learned, however, by the fast recurring experiences of the past few years, such as they have had at Paterson, Baltimore, San Francisco and now at Chelsea, that it is not all there is to fire insurance to pay an occasional loss by the burning or partial destruction of a building or its contents. The public, too, is learning, through the increased cost of insurance, that insurance companies do not pay the losses. They are simply distributing agencies. Even in the case of a stock company, aside from the capital furnished by the stockholders, the funds for the payment of losses are provided by the public. If losses increase through great conflagrations the fountain that supplies the stream of funds is the pockets of the insured. It cannot be otherwise. Even if the State with the wealth at its command should go into the insurance business the funds for paying losses would come from the same source.

Accepting it as a fact that the conflagration hazard cannot be escaped in this country until our cities and large towns are rebuilt of material that is of a less inflammable nature, which will not be for many generations, and admitting also the further fact that our insurance companies perform the service of agencies in collecting funds to be distributed among those who have losses, it becomes important to the public that the companies shall not fail to pay these losses when disaster comes, and that they be large enough and strong enough to settle, even though a larger disaster overtakes us than we have yet experienced. This is a result of first importance to the public. It can be attained only through adequate rates for insurance, which will allow the companies to accumulate surpluses against that day of disaster, and by good judgment on the part of the underwriters in taking risks in congested districts.

In other words, there should be such a distribution of risks in a given city by each and every company that the chances of bankruptcy, should an extensive conflagration occur, would be much less than appears to be the case at present with some companies, judging from the experiences in both the San Francisco and Chelsea disasters. There can be no question but that certain companies were carrying more risks in the city of Chelsea than was prudent in view of their ability to pay losses, and it is altogether probable—and this is a consideration that might as well be faced—that there are companies now carrying risks, and what are known as "preferred" risks, in some of our Massachusetts cities that are altogether disproportionate to their ability to pay the probable loss in case of a conflagration. Such companies should, it is needless to say, review carefully the situation and take steps to "scatter their risks," resisting the temptation to accept offers of premiums on the so called "preferred" class, even if prudence suggests that it means too many risks in one location, or in such close proximity as to be subject to the conflagration hazard. Indeed, if companies do not heed the recent warnings they have received it may be necessary to provide by statute that in some way the companies shall make public the amounts which they have at risk in all the cities where they do business in such detail as to show what they have assumed in the various congested areas which would be presumably swept by a conflagration.

Insurance Legislation.

Complete copies of all important bills in the legislatures affecting insurance are on file in the office of THE WEEKLY UNDERWRITER.

Georgia.

ATLANTA, July 3.—Mr. Wise, of Fayette, has introduced in the House Bill No. 927, requiring life insurance companies doing business in the State to invest part of their funds in Georgia securities. The amount designated is at least 75 per cent. of the aggregate amount of the legal reserve set apart and apportioned to policies of life insurance written on lives of citizens of Georgia.

Mr. Barksdale, of Wilkes County, has introducd a bill in the House to establish the Insurance Department of the State of Georgia, providing for the conduct of the same and for other purposes.

Mr. Perry, of Hall County, has introduced a bill known as House Bill 869, which has been referred to the General Judiciary Committee, and which is intended to prescribe the liability of persons or corporations operating locomotives, cars "or other machinery" propelled by steam, electricity, gas, water or other power, in case of injury to employees of such persons or corporations. The bill provides that employers shall be liable for damage to employees who are injured by reason of defects in the machinery or by reason of any rules or orders given to such employee by those in charge, and also provides for recovery in event of death

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from injuries received. It also provides that contributory negligence shall not bar a recovery, but shall be considered by the jury in estimating the amount of damage, "provided such employee at the time of receiving said injury was endeavoring in good faith to discharge his duties as such employee."

Louisiana.

BATON ROUGE, July 3.—The Governor today signed Senate Bill 71, by Mr. Wimberly, requiring fire, life, accident and other kinds of insurance companies, other than surety and fidelity and fraternal societies, to give a bond payable to the State Treasurer conditioned for the prompt payment of claims arising in this State.

Also Senate Bill No. 84, by Mr. Wimberly, requiring fire insurance companies to furnish blanks for proof of loss and requiring fire insurance companies to promptly adjust losses and to pay the amount due under their policies, and specifying a penalty for failure to pay the amount due under their policies within sixty days after the receipt of proofs of loss from the insured.

BATON ROUGE, July 6.—The Governor has signed Senate Bill No. 93, by Mr. Barret, prohibiting the use of the coinsurance clause in policies of fire, lightning and wind storm, unless the special consent of the insured has been obtained in writing.

BATON ROUGE, July 8.—Senate Bill No. 209, by Mr. Favrot, was passed by the House today. It prohibits discrimination by fire insurance companies doing business in this State against local agents in Louisiana in the matter of payment of commissions.

Also House Bill No. 404, by Mr. Oemichen, prohibiting insurance companies doing business in this State from paying the insurance adjusters, or to companies engaged in the adjustment of losses, any fee or compensation in excess of a regular salary or stipend, and providing penalties for the violation of this act.

BATON ROUGE, July 9.—The Legislature adjourned sine die at 10 o'clock tonight. Senate Bill No. 209, by Mr. Favrot, to prohibit fire insurance companies from paying greater commissions to local agents of other States than are paid to agents of this State, which passed both houses of the Legislature, was pocket vetoed by the Governor.

Miscellany.

Travelers Liability Forms Revised.

The Travelers of Hartford has revised its liability policy forms for all classes of liability risks, with the object in view of making them at once more liberal to the insured and more easily understood by all. Conditions in the field of liability insurance are such that an up to date policy contract must state clearly and concisely exactly what the company will do, and in no less accurate a manner just what the policyholder is expected to do on his side.

In placing the new policies in the hands of its agents the Travelers is offering the public several new departures, without in the least overstepping the so called limits of conservatism. That the public will approve of these innovations, to the profit of the Travelers, will undoubtedly be the case. We present herewith a synopsis of two forms—the manufacturers' form for public liability and that for employers' liability.

In nine concise paragraphs of the public liability form the company states, first of all, what it agrees to do with the assured in respect to indemnity for loss, service, defense, expenses, persons covered, operations covered, location covered, the policy period and the limits of indemnity.

In the matter of expenses the company agrees "to pay all costs taxed against the assured in any legal proceeding defended by the company; all interest accruing after entry of judgment upon such part thereof as shall not be in excess of the limits of the company's liability as hereinafter expressed; all expenses incurred by the company for investigation, negotiation or defense, and the expense incurred by the assured for such immediate surgical relief as shall be imperative at the time any such injury is sustained."

The policy is further broadened, as will be seen by the following clauses:

5. This agreement shall apply to such injuries sustained by any person or persons not employed by the assured. This agreement shall not apply to any such injuries sustained by any person or persons except as above provided, nor to any such injuries caused by any person employed by the assured in violation of law as to age or under the age of fourteen years if there is no legal age limit, or by any contract convict laborer.

6. This agreement shall apply to such injuries so sustained by reason of the business operations described in said declarations, and shall include the work of making ordinary repairs for the preservation of machinery or buildings, and the renewal of existing mechanical equipment. This agreement shall not apply to such injuries so sustained while riding or attempting to ride upon any elevator, or elevating or hoisting device, or if caused by means of any shaft or hoistway within which such elevator or device is operated, or if caused by any vehicles or by any draught animal, or by any person while driving or using the same. Unless a permit describing the work to be undertaken, signed by an officer of the company, is hereto attached, this agreement shall not apply to such injuries so sustained if caused by making additions to, alterations in, or the construction or demolition of any building, structure or plant, or by the installation of mechanical equipment in any building or part of building not previously occupied by the assured.

7. This agreement shall apply to such injuries so sustained while within the factories, shops or yards defined in said declarations or upon the premises or ways immediately adjoining. This agreement shall also apply to such injuries so sustained elsewhere if caused by drivers or their helpers, salesmen, collectors or messengers whose entire compensation is included in the compensation upon which premium for this policy is computed, and who are engaged at the time of such injury in the service of the assured in connection with the business operations described, but not including installations, mechanical demonstrations, driving or using any vehicle or any draught animal or loading or unloading any such vehicle.

A study of the following clauses in the new employers' liability form discloses some excellent features, noticeable among which is the covering of outside workmen called in to make ordinary repairs, under paragraph 6.

Item 5 in the declarations is distinctly an innovation, as it eliminates from the payroll estimate the salaries of the president, vice president, secretary or treasurer of the assured, if a corporation, or those of the members of the assured, if a copartnership. Yet by the terms of the policy these persons are covered. The clause referred to reads as follows:

The foregoing enumeration of employees includes all persons in the service of the assured in connection with the operations herein described to whom compensation of any nature is paid or allowed, except the members of the assured if a co-partnership, the president, vice president, secretary or treasurer of the assured if a corporation, any drivers employed by the assured who are enumerated in any concurrent teams policy carried by the assured with this company, or any person wholly engaged in clerical office duties. The foregoing estimates of wages and other compensation are offered for the purpose of computing the advance premium. The company shall be permitted to examine the books of the assured at any time during the policy period or any extension thereof, or within one year after its final expiration, so far as they relate to the compensation earned by his employees while the policy was in force.

Clause 5, in designating the persons covered, mentions any person employed by the assured, any drivers employed by the assured, and enumerated in concurrent teams' policy carried by the assured with the company. The policy expressly states that minors illegally employed or under fourteen years of age (where there is no legal limit) are not covered.

In Clause 6 it is stated that injuries sustained by rea-

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son of the business operations, including the making of ordinary repairs for the preservation of machinery or buildings and the renewal of existing mechanical equipment, are covered. However, a permit signed by an officer of the company is necessary for making additions or alterations.

Clause 7 stipulates that drivers, salesmen, collectors and messengers are covered wherever they may be elsewhere in the service of the assured in connection with the business operations described, but not while engaged in installations or mechanical demonstrations. When covered by both the public and employers' liability forms, the assured is protected against damage suits arising from accidents to anyone on his own property or to his own employees, while in his service, no matter where they are.

The Employers' Liability Assurance Corporation

(LIMITED),

OF LONDON, ENGLAND.

Total Available Resources, over $8,000,000

$3,449,550.58 deposited in the United States for the benefit of United States Policyholders.

SAMUEL APPLETON, United States Manager,
Employers' Liability Building, 33 Broad Street, Boston, Mass.
EDMUND DWIGHT,
Resident Manager for New York State,
76 William Street, New York.

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Insurance Co.

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The Armstrong Committee found no questionable methods in The Manhattan Life Insurance Company.

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W. B. LANE, Vice-Pres.

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The Connecticut Mutual Life Insurance Company

Stands alone among the American companies of any note, in having repaid to its members, their beneficiaries and estates, in annuities, endowments, death claims, surrender values and dividends, more than it has received from them in premiums. These are the totals:

Received since organization—1846	$249,356,745.45
Repaid as above noted	253,641,382.54
Excess over amount received	4,284,637.09
Assets December 31, 1907	65,003,271.10
Surplus December 31, 1907	2,326,657.25
Insurance in force December 31, 1907	174,716,005.00

President, JOHN M. TAYLOR.

1860 47th year 1907

HOME LIFE INSURANCE COMPANY

OF NEW YORK.

GEORGE E. IDE, President

ASSETS, $19,009,550.82 LIABILITIES, $17,925,901.84
(Including Dividend-Endowment Fund

Dividend-Endowment Fund (Deferred Dividends)	$1,621,413.00
Net Surplus	1,083,648.98
Insurance in Force	86,113,559.00

"Mr. Hughes failed to bring out a single questionable transaction."
New York Sun, 12-12-05.

THE YEAR 1906 SHOWS LARGEST GAIN OF INSURANCE IN FORCE IN COMPANY'S HISTORY.

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of New Orleans

Guardian Fire Ins. Co.
of Pennsylvania

Robert Dickson - - - President
R. D. Tweeddale - - - Ass't Sec'y

80-82 William St., New York City

(FIRE)
German American
Insurance Company
New York

STATEMENT JANUARY 1, 1908

CAPITAL
$1,500,000
RESERVED FOR ALL OTHER LIABILITIES
7,592,685
NET SURPLUS
4,415,353
ASSETS
13,508,038

QUEEN

Ins. Co. of America.

NEW YORK.

COMMERCIAL UNION ASSURANCE CO.
LIMITED,
OF LONDON.

OFFICE:
Cor. Pine & William Sts., New York.

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The Greatest Success in Life Insurance!

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Incorporated as a Stock Company by the State of New Jersey.
JOHN F. DRYDEN, President Home Office, Newark, N. J.

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ADJUSTER AND ATTORNEY
BALTIMORE, MD. Calvert Bldg. WASHINGTON, D. C. Colorado Bldg.
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Twenty-five years' experience Member Bar U. S. Supreme Court.
GO ANYWHERE. OPERATE ANYWHERE.

1825. THE 1908.
Pennsylvania Fire Insurance Co.
OF PHILADELPHIA.

Cash Capital	$750,000.00
Reinsurance and all Liabilities	4,096,883.14
Surplus	1,615,283.97
Total January 1, 1908	$6,463,117.11

R. DALE BENSON, Pres. CHARLES W. MERRILL, Asst. Sec.
JOHN L. THOMSON, Vice-Pres. HAMPTON L. WARNER, Asst. Sec.
W. GARDNER CROWELL, Sec. WM. J. DAWSON, Sec. Agency Dtep.

COMMON SENSE PROTECTION
includes insurance against
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THE COLUMBIAN NATIONAL LIFE INSURANCE CO.
OF BOSTON, MASSACHUSETTS,
provides all three, as no other company does incorporated under the stringent laws of Massachusetts. Attractive, Non-participating Life Policies. Liberal and Definite Accident and Health Policies. Surplus to Policyholders, over $1,500,000
Men with clear records wanted as District Managers. Save time by sending record and references with first letter to
Home Office: 178-180 Federal St., Boston, Mass.

INCORPORATED 1851.
Berkshire Life Insurance Company
OF PITTSFIELD, MASS.
All Policies issued by the Company are subject to the Massachusetts Non-Forfeiture Law.
JAMES W. HULL, Pres. J. M. LEE, Actuary.
THEO. L. ALLEN, Sec. ROBT. H. DAVENPORT, Asst. Sec.
Agencies in all the principal cities of the United States.

Established 1782.
Phoenix Assurance Company, Ltd.,
OF LONDON.
Fire Insurance Only. Losses Paid, over $135,000,000.
Head Office for the United States, 47 Cedar St., N. Y.
A. D. IRVING, Manager LOUIS P. BAYARD, Asst. Manager
A. D. IRVING, Jr., Sec.

FIREMENS
Insurance Company of Newark, N. J.
ORGANIZED 1855

CAPITAL,	$1,000,000.00
ASSETS,	4,701,068.80
SURPLUS TO POLICYHOLDERS,	3,148,371.45

DANIEL H. DUNHAM, Presfdent CHARLES COLYER, Vice-President
A. H. HASSINGER, Secretary

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LEWIS & FREAR, Agents, . . . 145 Montague Street, Brooklyn
H. W. BEALS, Suburban Agent, . 76 William Street, New York

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IN
FIRE INSURANCE and ACTUARIAL SCIENCE
EVENING CLASSES
NEW YORK UNIVERSITY
School of Commerce, Accounts and Finance
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Mutual Life Policies
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BECAUSE
Yearly dividends have been increased for the last three years, 1906-7-8, at a rate equalled by no other company.
Cash values guaranteed in the new life and endowment policies, are equalled by few companies, and excelled by none.
Attractive features have been added to standard policy forms.
Liberal terms offered producing agents under the 1908 contracts.
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Second Vice-President
The Mutual Life Ins. Co. of New York
34 Nassau Street, New York, N. Y.

Insurance Co. of North America,
232 Walnut Street, Philadelphia.
FOUNDED 1792.

Assets, January 1, 1907		$10,748,864
Liabilities—Reserved for Reinsurance and all other claims	$6,705,870	
Capital Stock	3,000,000	
Surplus over all Liabilities	1,042,994	$10,748,864

Agents in all the principal towns and cities.
CHARLES PLATT, President.
EUGENE L. ELLISON, Vice-President. BENJAMIN RUSH, Second Vice-President.
GREVILLE E. FRYER, Secretary and Treasurer. T. HOUARD WRIGHT, Assistant Secretary.
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The Weekly Underwriter:

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CHARLES A. JENNEY, President and Treasurer. L. ALEXANDER MACK, Secretary.

THE Home of New York is our leading fire insurance company in magnitude of resources, and its semi-annual statement is therefore a matter of interest to all who are concerned with insurance, whether as holders of policies or underwriters. On July 1 there were assets of $22,528,287.50 and surplus as regards policyholders of $11,715,481.59. These figures are of importance because they will serve to show the effect of the business depression upon a standard company writing fire insurance throughout the country. Here are the results compared with those of the annual statement of six months ago: the increase in assets has been $1,655,589.82; the increase in surplus to policyholders has been $1,512,270.32. The company did not take advantage at the close of 1907 of the permission granted by the State insurance departments to assume an average value of its stock and bond holdings. It reported actual quotations on its investments of December 31. They aggregated in value on that date $16,467,630. On July 1 they aggregated in value $18,824,460. The past six months have been punctuated by the Chelsea and Tampa conflagrations and many large individual fires. In all of these the great Home has shared with the losers, and it is an attestation of its underwriting ability that while it has lost largely in due course it has also gained largely in the general run.

LOUISIANA sets an example to its sister States in protecting the assured under the fire insurance policy against the low pressure loss adjuster. This kind of adjuster, in the estimation of the euphonious Mr. Oechmichen, who fathered the protective act in the late Legislature, works overtime for salvage under inducement from his companies in shape of a moiety of the sum saved to them. The text of the new law is as follows:

Section 1. Be it enacted, that hereafter it shall be unlawful for any insurance company doing business in this State to pay to insurance adjusters, or to companies engaged in the adjustment of losses, any fee or compensation in excess of a regular fixed salary or stipend, or to contract to pay to any insurance adjuster or to any company engaged in the business of adjusting losses, any portion of the amount saved to said insurance company through the efforts of said adjusters or adjustment company in lieu of salary.

The bill was introduced in the last days of the session, so that it attracted no particular notice amid the clamor raised by the passage of the high commissions bill. Otherwise the adjusters might have besieged the Governor, too. Louisiana, however, points the way, and may there not be a revolution in adjustment methods impending? There is a touch of irony in the penalty prescribed by Mr. Oechmichen's law, which will fall on the company inciting its adjuster to labor for salvage. It shall be fined for each offense $500 for the benefit of the charity hospitals of New Orleans and Shreveport.

THE retirement in the ninetieth year of his life of Henry L. Palmer from the presidency of the Northwestern Mutual Life insurance company is a notable event in American life insurance, not only because he is the dean of life insurance presidents but because despite his great age he has filled his office with power and competency to the end. He became president in 1874, preceding both the next oldest incumbents of presidencies, Mr. Bulkeley, of the Ætna Life, and Mr. Rhodes, of the John Hancock Mutual Life, by five years. He has overseen his company while it has grown in assets from $15,000,000 to $233,000,000 and its outstanding insurance from $65,000,000 to nearly $900,000,000. In that wonderful thirty-four years' development he has been a principal factor, his judicial temperament, quickened on the bench, his close acquaintance with mankind, acquired during a long career in politics, and his ever active and vigorous mind serving immeasurably in the process of construction and upbuilding. It is an interesting fact, in considering Judge Palmer's long public life, that he was the Democratic candidate for Governor of Wisconsin forty-five years ago, and sat in the Wisconsin Legislature fifty-five years ago. He retires in the fullness of fame as the universally saluted "grand old man" of life insurance. President Markham will bring to the Northwestern Mutual Life the same administrative qualities which have made it the leader in the great West.

THERE is more than one side to the fire insurance commissions agitation in the South, it appears from the outgivings of the Insurance Commissioner of Louisiana. While it was the declared purpose of the agents who promoted the "anti-discrimination" bill which passed the Louisiana Legislature, and was vetoed by the Governor, to secure an advance in commissions in the South to the higher rate paid in the North and West, the object Commissioner McGivney had in view in favoring the bill was the reduction of commissions in the North and West to the lower rate paid in the South. It is the Commissioner's opinion that the expense of conducting the fire insurance business is excessive. It nearly equals the fire loss in some States. He would have it lowered in the interest of premium payers. Hence he claims "the passage of the Favrot bill would have had the effect of compelling the companies to cut down the rate of commission in the East and North and force a uniform rate to agents, and a consequent reduction of the fire tax to the public." We imagine that the agents who advocated the bill for the other reason will suspect the Commissioner of an exaggerated idea of the influence of Louisiana legislation upon the rest of the United States. Certainly the companies which are alleged to have wired warnings to New

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Orleans that they would withdraw from the State if the Favrot bill became a law would have withheld their opposition had they understood that its effect would be to reduce commissions throughout the North and West. Doubtless the commissions question will be taken into the national convention of the local agents at St. Paul by the malcontent party from the South. It will be interesting to observe if there is any disposition to consider Commissioner McGivney's proposition for a leveling of all commissions to the Southern basis.

Facts and Opinions.

At the close of the final session of Friday afternoon, July 10, of the **International Association of Accident Underwriters at Atlantic City,** the committee on the next place of annual meeting reported in favor of the new Clifton Hotel at Niagara Falls, Ontario. Speeches, however, were made in favor of Colorado Springs and Muskoka, and the matter was ultimately referred to the executive committee for decision. It is believed that many of the delegates favored reassembling at Atlantic City next year. The following committee on the McNeill medal was announced: Messrs. McNeill, of Boston; Walker, of Montreal, and Dewey, of Detroit. The convention adjourned at 1:30 o'clock Friday.

The **report** of the Commissioners of Accounts on the **Fire Department** of New York city, declaring, among other things, that the **fire alarm system of the metropolis** is a menace because a slight accident might paralyze it, has been forwarded to Mayor McClellan. The report says regarding the telegraph system's reliability:

The whole fire alarm plant of Manhattan is of fundamentally faulty design, inadequate for the city's needs, in a dangerous state of advanced decay, and cannot now be repaired or rebuilt so as to afford even reasonable efficiency, the only solution being the immediate installation of a complete new system, including the relocation and construction of a properly safeguarded central station.

The estimate for a satisfactory plant is placed at $2,680,000, and it is recommended that the new central station should be located in the southern part of Central Park, or in Fifty-ninth street between Second and Tenth avenues. The arrangement whereby the Manhattan Fire Alarm Company is permitted without any cost whatever to use a patented device installed in the city's street fire alarm boxes is severely criticised, especially as the other alarm systems have no such privilege to use city property. The commissioners recommend that 12 inch pipes be installed for crosstown connections of the water system in Manhattan and the Bronx. It is urged that the high pressure system be extended to cover the whole district south of Fourteenth street. The commissioners recommend a special uniformed fire force for looking after the theatres, this to be paid by the managers of the theatres. Various matters connected with the investigation of the fire department are taken up, and it is recommended that charges be brought against those officers responsible for the loss of life at the Parker Building fire, which caused the present investigation. The commissioners infer that they think graft exists in the department but were unable to find it out. The hose matter is considered at some length and the specifications found to be faulty.

At the meeting of the trustees of the **Northwestern Mutual Life insurance company** at Milwaukee on Wednesday the resignation of Henry L. Palmer, as president of the company, was received and accepted, and George C. Markham, first vice president, was elected to fill the vacancy. The resignation of Judge Palmer, after thirty-four years' service as president, was the cause of much regret, but his plea for the consideration of his advanced age could not be denied. He was, however, elected to the newly created position of chairman of the executive committee of the board of trustees, and will continue in active touch with the company which he has done so much toward building up. The new president, Mr. Markham, was born at Wilmington, N. Y., about sixty years ago, was educated in private schools, studied law, and was admitted to the bar. He practiced law in Milwaukee from 1870 until his connection with the Northwestern Mutual Life. He was elected a trustee and member of the executive and financial committees in 1895; third vice president in January. 1901; second vice president in April, 1904, and first vice president in July, 1905. Regarding the probable changes in the official staff of the company, a special dispatch from Milwaukee to the *Journal of Commerce* says:

It is believed that the changes in the official staff of the Northwestern Mutual Life, following the retirement of Judge Palmer as president, will eventually have a material effect upon the policy of the company. It is understood that the new executive committee, to which several new members were elected at the annual meeting, will have more to say hereafter in the conduct of the company and the general policy of the large corporations to have a working executive committee in general charge will be followed. The only executive officer of the company on the new executive committee is President Markham himself. The personnel of the committee is also taken as an indication of a disposition to cultivate closer and more friendly relations with the public hereafter.

An event of the past week was the sudden death by heart failure of **Thomas D. Jordan,** former controller of the Equitable Life Assurance Society. He was a resident of Englewood, N. J., and visited New York on Tuesday. After transacting some business he started for home and in the subway station fell dead. He was sixty-six years old. Mr Jordan entered the service of the Equitable Life as an office boy and rose through successive executive positions to the comptrollership. When the Armstrong Investigating Committee began to look into the affairs of the Equitable Life Mr. Jordan was subpœnaed to appear before the committee, but had left the State. He did not return until May of last year, when he voluntarily went before the grand jury and pleaded not guilty to eighteen indictments for forgery in the third degree and one for perjury. Most of the forgery indictments grew out of so called loans which Mr. Jordan, as controller of the Equitable, made to various employees of Kuhn, Loeb & Co. Trial was set down for next October and Mr. Jordan was released on $10,000 bail. It is claimed by Mr. Jordan's friends that he died from a broken heart. One of them said on Wednesday:

While technically he may have been guilty of some irregularity in handling the funds of the company, those who knew him best could never be convinced that he did other than what he believed to be his duty. He was a God fearing man, whose integrity was his greatest pride. When his superiors directed him to approve vouchers for expenditures, the nature of which he didn't know and could not question, he signed them, as any man similarly situated would do. His removal by President Morton and the indictments which followed hastened his end. While maintaining a cheerful appearance, his family and the army of friends who knew him, and who stood by him in his trouble, knew that his heart was breaking. They were not surprised at the news of his sudden death.

The official announcement of the reinsurance of certain of the assessment policyholders of the **Mutual Reserve Life insurance company** by the American Temperance Life Insurance Association appears in a notice to policyholders of the company issued this week by the receivers, William Hepburn Russell and Charles Rushmore, which follows:

The receivers, under the authority of the United States Circuit Court for the southern district of New York, have entered into an agreement with the American Temperance Life Insurance Association. The purpose of the receivers in making this contract was to obtain for the members insured upon the assessment plan who could answer questions as to health and age satisfactorily an opportunity to get insurance without a new medical examination. Members more than sixty years of age will not be accepted by the association. The bylaws of the company provide that no claim shall be allowed or paid for a deceased member who was engaged or interested in

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any way in the sale of spirituous or malt liquors after becoming a member of the association. Pursuant to the terms of the contract, A. A. Hopkins, of New York, and the Hon. Joseph W. Hyams, named by the receivers, have been elected directors of the American Temperance Life Insurance Association, and A. A. Hopkins has been appointed second vice president. The acceptance or non-acceptance by you of insurance under this proposition does not in any way affect your rights to share in the final distribution of the assets of the Mutual Reserve Life insurance company if under your policy or membership certificate you are entitled to so share; consequently you are entitled to file your claim against the Mutual Reserve Life insurance company with the receivers on or before August, 1908.

The questions in the application blank accompanying this notice are numerous and exhaustive, and the applicant is required to declare that he is not intemperate and agrees to abstain from the excessive use of strong drink.

A report on the **fire hazard of Brockton, Mass.**, has been made by the engineers of the committee on fire prevention of the National Board of Fire Underwriters. Although the conflagration hazard in the mercantile district is characterized as moderate, local conflagrations are considered probable in groups of larger buildings of frame or weak joisted construction, with unprotected exposed windows and deficient fire prevention equipment. The manufacturing plants consist of groups of large frame buildings, well equipped with automatic private fire protection, in which fires are not probable, but which would result in great individual loss if not entirely extinguished. These plants, being for the most part isolated, present only local conflagration hazards. The city fire record is only fair. As regards water supply the report states that it is available in sufficient quantities in most high value portions of the city, but the storage and pumping capacity are deficient. The fire department is efficient, but weak in full paid men and engines. The fire alarm system is new and adequate. The building laws are deficient and the main fire limits too restricted. Structural conditions are weak. The provisions of the National Electrical Code are enforced by the inspector of wires, and the condition of new wiring is fair to good and the old wiring fairly safe.

Several months ago the investigation into alleged violations of the anti-compact law in **Missouri** was suspended by Attorney General Hadley on an agreement with the companies that they would turn over to the independent rating bureaus all information regarding conditions and that **reductions in rates** will be made wherever justifiable. In pursuance of this the Waterworth bureau in St. Louis has issued new tariffs which make an average reduction of about 10 per cent. in a number of the important classes not reduced by the changes of last February, which caused so much surprise among the companies. This applies to all schedule rated risks and flat rated risks outside the congested district, covering factories, mercantile buildings, builders' risks, summer gardens, etc. Apartment houses are taken out of the schedule rated class and placed in the minimum tariff clauses with a substantial reduction. No reduction is made in the present minimum tariff clause, which includes ordinary preferred business. A reduction is also made on fireproof mercantile buildings and sprinklered risks in the congested district and on grain elevators. It is understood the Fetter bureau at Kansas City, which makes rates throughout the State, is revising its tariffs in several towns, with an average reduction of about 15 per cent.

Charges of twisting filed against L. G. Burr, an agent of the Northwestern Mutual Life in New York, by William H. Pierson, an agent of the New York Life, were heard by Insurance Superintendent Kelsey this week at a special hearing at the New York offices of the Insurance Department. Mr. Pierson's complaint charged that Mr. Burr endeavored to induce James H. Burton, of Mount Vernon, to allow one policy for $10,000, which he has carried in the New York Life since October 15, 1903, and three others for $5,000 each, taken out in 1904, to lapse and take Northwestern policies in their stead. Letters of Mr. Burr to Mr. Burton were displayed, also estimates and figures sent him by the Northwestern agent, which purported to show how much better it would be for him to transfer his insurance from the New York Life, as the increased dividends of the Northwestern would make up whatever differences existed. The figures given are claimed to be willful misrepresentations, and it is likewise charged in the complaint that statements alleged to have been made by former Insurance Commissioner Host, of Wisconsin, as to certain matters are also false. The decision of Mr. Kelsey in the case has not been announced, but considerable interest has been taken in the situation, owing to the fact that the case is the first brought up since the new law affecting twisting went into effect.

Suit will be begun by the Corporation Counsel of **New York city against** Michael F. Loughman as president of the Windsor Fire Appliance Company and the **American Surety,** his bondsman, as co-defendants, to recover the full amount of the contract by which the city of New York had an alleged inferior quality of hose loaded on it. The figures given out for this contract are $23,410.25, which will be the amount sued for. The suit is the outcome of the investigation of hose conditions in New York city following the fire in the Parker Building, which called attention to the defects in the hose furnished the city by various companies. The present action was begun at the instigation of Fire Commissioner Hayes, who asked advice of the Corporation Counsel after receiving the preliminary report of the investigation by the Commissioners of Accounts. Mr. Loughman has stated that the hose furnished by his company was manufactured and supplied by the United and Globe Rubber Manufacturing Company, of Trenton, N. J., according to specifications furnished by the city. He also called attention to the fact that none of the forty-five lengths of hose which burst at the Parker Building fire had been furnished by his company.

The directors of the Singer Company, upon the advice of the editorial board of the **International Insurance Encyclopedia,** decided to change the original plan of a six volume alphabetically arranged encyclopedia to a ten volume encyclopedia, arranged according to subject matter. The financial and technical advantages of the second plan, which is to make of each volume a work complete in itself, permits each one to subscribe for those parts only in which he is especially interested. Only the first two volumes, forming the biographical section (I. The Prominent Insurance Men of the Past; II. Contemporary Insurance Men), will appeal to all branches. In the other eight volumes (III. History of the Life Insurance Companies Throughout the World; IV. History of the Fire and Marine Insurance Companies, etc.) special branches of insurance will be particularly interested. More than 1,200 biographies, with numerous portraits, are to appear in the first and second volumes.

At a cost of several million dollars the **Prudential will add to its group of home office buildings** in Newark. The erection will begin May 1, 1909, the plans having been practically completed by George B. Post, the architect. In design and general details the new buildings will resemble the present structures. The completion of the new buildings will increase the value of the company's real estate on the home office site to about $15,000,000. To make room for the new additions seventeen buildings now situated on land owned for several years by the company in Broad, Bank, Halsey and Academy streets will be razed. The new structures will increase the frontage of the company on Broad street, on the north side of Bank, by 60 feet. All of the block to Halsey

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and Academy streets will be occupied, except for the frontages on Broad street that other financial institutions own and which the Prudential has been unable to acquire by purchase.

There has been much **policy twisting in Tennessee,** particularly by agents of farmers' mutual fire insurance companies, and Insurance Commissioner Folk has announced the following ruling:

Inasmuch as it has come to my attention that there have been complaints at different times in the past that agents of one company have taken up policies of another company for the purpose of cancellation, and inasmuch as it is clear to my mind that under ordinary circumstances such a proceeding operates unjustly to the policyholder, and that he would not agree to it except as a result of misconception created by misrepresentation; therefore, in order that there may be no imposition upon policyholders in this regard, I have this day made ruling that the license of any company will be revoked if it should be found upon investigation by this department that any representative of said company has been guilty of taking up from a policyholder a policy contract of another company for the purpose of cancellation. This ruling will apply to all such offenses occurring after April 6, 1908. Provided any company whose agent is found guilty of the practices referred to above, before revocation of license, may have opportunity to dismiss the offending agent.

Insurance Against the Election of Bryan is the latest daily newspaper sensation. The New York *Tribune* (Rep.) works it up thus:

Wall Street brokers who are long of the market, and wish to guard against loss from the smash in prices that would follow the election of William J. Bryan to the Presidency, are taking out policies in Lloyds as a safeguard, in case the unexpected happens and Taft is defeated. Lloyds began accepting risks on Bryan's election on Tuesday at 20 per cent. This means that for every $20 put up the insured will receive $80 if Bryan is elected, as the amount put up is retained by Lloyds whatever the outcome may be. Later the rate was dropped to 10 per cent., but so many applications came in that yesterday afternoon it was raised to 15 per cent. The brokers taking out these policies are practically making bets on the election at odds of from 8 to 9 to 1 against Bryan. Insurance brokers in this city who are handling the business for Lloyds said that they had placed more than $500,000 worth of insurance since Tuesday, the majority being at 10 per cent. It is well known that Lloyds will accept a risk on almost anything, but this is said to be the first time that it has issued policies on a Presidential election.

Several fires in the congested district have shown the great benefit to the insurance and property interests of the new **high pressure water system in New York city.** The fire on Bond street a night or two ago was an excellent demonstration of the possibilities of the system. So vigorous was the stream that came from the water tower when it was hitched to a high pressure main that firemen on the fifth and sixth floors were nearly drowned before the stream was turned away from them. At a test in Union square this week the high pressure service when hitched to a water tower threw water to the roof of the seventeen story Metropolis Building at Broadway and Sixteenth street. The test was made to give the firemen a chance to get acquainted with the new method of fighting fires.

Tests of a highly satisfactory nature were made this week on **Newark's** auxiliary **high pressure** gravity water **system** for fighting fires. Single lines and combinations of two or more streams twinned from one hydrant without interposing any steam fire engine were tried for more than two hours, and tests were made both to determine the quantity of water and the pressure available at the ends of lengths of hose usually used in a fire in a congested district. The high pressure service, differing from that in New York in that the pressure is obtained by gravity instead of pumps, covers the greater part of the centre of Newark, and the tests demonstrated that it can be used with great effect in fighting flames in office buildings and other tall structures either with deck nozzles or water towers.

The association of agents of the Northwestern Mutual Life insurance company was in annual session at Milwaukee this week. **Medals for prize work** during the year were distributed. The prize for having written the most business went to Dr. C. E. Albright, of Milwaukee. The prize for writing the largest number of lives went to A. I. Rothschild, of New York city. The other prizes for work accomplished went in the order given to Henry S. Stix, of St. Louis; L. G. Lowenthal, of Tennessee, and C. J. Nolan, of Milwaukee. The certificates given by the company for the character of the work of agents depending on the amount of insurance written went also to Dr. Albright, and Messrs. Rothschild and Stix. Thomas Fansler, of Chicago, and R. R. Reid, of New York city, also received company certificates.

The Meneely Bell Company has been awarded the contract for erecting four **large bells** which will be placed on the forty-sixth story of the new **Metropolitan Life tower** at Madison square, New York city. The bells will weigh 7,000 pounds, 3,000 pounds, 2,000 pounds and 1,500 pounds. Besides being the deepest in tone, the bells will be the most costly in the world. They will be erected on pedestals between marble columns outside of the forty-sixth story of the building. They will strike the Westminster peal for the quarters by the tower clock. The bells will hang twice as high above the street level as those in the tower of Notre Dame, Paris; Houses of Parliament, London; cathedral at Milan, and St. Peter's, Rome.

A deal has been consummated whereby **Dan B. Harris,** the new president of the South Eastern Underwriters' Association and assistant manager of the Insurance Company of North America at Atlanta, **takes charge** of the **Southern department** of the Aachen & Munich and Security of New Haven, which is to be organized. The territory to be covered by Mr. Harris will be Virginia, North Carolina, South Carolina, Georgia, Florida, Alabama and Mississippi, except that so far as the Security of New Haven is concerned Mississippi is eliminated, that State reporting to Dallas, Tex. Neither company at the present time is doing business in the States named, with the exception of the Security in Mississippi.

After his appeal has been decided and not till then can Andrew J. Langdon, of Buffalo, who has been **fighting the Northwestern Mutual Life** to secure $25,000 which he claims to be due him on a matured policy, receive the $16,403.50 and interest which was awarded him by the court. When the judgment was granted he took an appeal on the ground that the company owes him the $25,000 on the statement of the agent. Last week he applied to the court for an order of execution for the judgment pending the appeal and without prejudice to the appeal. The company fought the motion and would consent to pay only on annulment of the appeal. Justice Emery, at Buffalo, has decided that Langdon cannot have the money.

The **Alliance Fire** of Austin, Minn., has **reinsured** all its liability under fire, lightning and tornado policies in the Connecticut of Hartford. The Alliance Hail and Cyclone Mutual of Austin, which is closely connected with the retiring company, will take over the hail insurance business. The Alliance was organized in 1905, and was licensed only in Minnesota, although it did some business outside. Its assets at the beginning of the year were $261,754, with a reinsurance reserve of $19,649 and a net surplus above the $100,000 capital of $139,488. The net premiums in 1907 were $21,771, with a loss ratio of 40.2 and an expense ratio of 47.6. The risks in force at the beginning of the year were $3,206,106.

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The first of the forty-five actions brought by the **Ampersand Hotel Company** to recover the loss sustained by it as the result of the fire of September 23, 1907, has been decided by Justice McLaughlin, of the New York Supreme Court, in favor of the hotel and against the Home insurance company on all of the issues presented for determination. There was insurance on the hotel and contents aggregating about $100,000, which was divided up among some forty or more of the leading fire insurance companies. The principal defense of the companies was conspiracy by the hotel owners to burn the property, an alleged confederate having confessed to the crime.

Browsing among the files of old Nantucket newspapers, Mr. Frederick L. Hoffman, statistician of the Prudential, has found the following interesting item of **early insurance history of Nantucket** in an advertisement which appeared in the *Inquirer* of December 28, 1826, and ran through successive issues of 1827:

The Nantucket Union Marine insurance company hereby give notice that their capital stock amounts to $61,000; that they continue to receive proposals and to make insurances to any amount not exceeding $9,000 on one risk upon vessels, freight, money, goods and effects; against the captivity of persons; on the life of anyone absent by sea, and on money lent on bottomry and respondentia. JOHN CARTWRIGHT, Secretary.

The president of the Indian Refining Company, of Cincinnati, Richmond Levering, is a very **much insured man.** His life insurance amounts to $550,000, with annual premiums of about $16,000. The policies were issued on the ordinary and twenty payment life plans. The business was written through Willard Mack and is divided as follows: Northern Mutual, $100,000; Pennsylvania Mutual, $100,000; Connecticut Mutual, $50,000; Massachusetts Mutual, $50,000; Phœnix Mutual, $50,000; National of Montpelier, $25,000; New England Mutual, $50,000; Berkshire, $25,000; Germania, $50,000, and Mutual Benefit, $50,000.

Prior to the meeting of the Chicago National Republican Convention our old bunkum friend **Tommy Lawson** issued a public prediction that Theodore Roosevelt would be nominated for President in a hurrah by the convention and sweep the country like a whirlwind. The prediction having failed, Tommy has written an open letter to William Jennings Bryan, predicting the election of that esteemed candidate in November. Tommy says that Wall Street has already put up $2,000,000 to elect Taft. He offers to contribute "any reasonable amount" himself to the Bryan cause as an offset.

The **National Life of the U. S. A.** has changed the form of the *National News*, the company paper, giving it a handsome title page and increasing the reading matter. The Arkansas department leads the honor roll of the company for June in both premiums and volume, followed by the Mississippi agency. The Oregon agency was third in volume and west Tennessee third in premiums. The west Tennessee department leads for the first six months in paid for business, followed by Arkansas and central and southern Illinois.

Oklahoma special agents of a number of the fire insurance companies operating in that State have been instructed by their home offices to make assurance doubly sure by disbanding at once the **Oklahoma Fire Underwriters' Association.** Local agents have been instructed to withdraw from local boards or other associations. The above action is a result of the stringent anti-trust law recently passed, which, although containing no mention of insurance, is construed in certain quarters as perhaps including that business.

At a recent meeting of the Texas Commercial Club Secretaries' Association at Galveston, Judge M. E. Locke, of Texas, discussed the **Robertson investments law,** making the following statement, which was received with cheers from the persons present: "I state frankly to you that were it not for the existing Robertson law millions of dollars of money would be placed in Texas by the insurance companies if they were allowed the privilege of selecting their own manner of investments."

What is claimed to be the **largest** single **life insurance policy** ever issued in the State of **Pennsylvania** was placed this week by L. C. Woods, assistant manager of the Equitable Life Assurance Society's Pittsburgh branch. The policy was for $750,000 and carried a yearly premium of $26,000. It increased the total insurance carried by the assured to a round million dollars. E. L. Porter, of the Equitable staff, who died on July 4, was jointly interested with Mr. Woods in the case.

The New York *Sun* prints extracts from the address made by **William J. Bryan** at the anti-trust conference at Chicago September 15, 1899. The following would seem to indicate a wish to require insurance companies transacting business beyond their own States to take out Federal licenses:

I suggest that Congress should pass a law providing that no corporation organized in any State should do business outside of the State in which it is organized until it receives from some power created by Congress licenses authorizing it to do business outside of its own State.

The new fire insurance company organized in Kansas has taken the name of the **Osage Fire,** and will have its headquarters in **Topeka.** P. W. Goebel, of Kansas City, is president; Clyde Miller, vice president and general manager, and W. L. Gardiner, of Lawrence, secretary. The company will begin writing business before August, and will operate for the present only in Kansas.

The general agency association of the **State Mutual Life insurance company of Worcester, Mass.,** held its annual banquet and convention at Buffalo, N. Y., on Thursday. The officers of the association are: President, E. L. Gernand, Baltimore, Md.; vice president, C. W. Van Tuyl, Minneapolis, Minn.; secretary and treasurer, F. A. G. Merrill, Buffalo.

Charging that he has been **writing** insurance **in unauthorized companies,** the Minnesota Insurance Department has revoked the license of George G. Magnuson, who operates a large agency at St. Cloud, Minn. This action followed the writing of three automobile policies in London Lloyds through Marsh & McLennan, of Chicago.

The new **Western department of the Williamsburgh City,** under the management of Fred M. Gund, formerly with the German of Freeport, wrote gross premiums during the first half of 1908 of $290,000. The loss ratio was 40 per cent. on the total business and 30 per cent. on the new business put on since the opening of the department.

The Great American Life of St. Louis has appointed C. B. McCormack general agent in Arkansas, where the Dixie Life of Little Rock has been absorbed. The Great American is also negotiating to absorb a recently organized Tennessee company. The writing of business by the Great American will be begun before August 1.

In the United States Circuit Court at Topeka Judge Pollock has issued an order staying a suit brought by the heirs of **Lucius H. Perkins,** of Lawrence, against the Mutual Life

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of New York, to collect $100,000, until the equity case brought by the company for cancellation of its contract for fraud is decided.

A meeting of the special **committee on taxation** of the Convention of Insurance Department Commissioners has been called by the chairman, ex-Commissioner Prewitt, of Kentucky, to meet at Detroit August 23 in advance of the next annual convention to be held in that city.

The Dubuque Fire and Marine will celebrate its **twenty-fifth anniversary** July 23, all its field men being invited to the home office for a reunion and celebration. The exact anniversary falls on Sunday, July 19, and the other date was selected as more convenient.

The **Kentucky Board of Fire Underwriters** at its semi-annual meeting declined to complete the proposed plan of co-operation with the non-Union organization, which provided that the latter be consulted in advance of any promulgation of special rates.

The analytical system of fire insurance rating has been extended to **lumber yards**, and a new schedule has been issued by the Western Union superseding previous lumber schedules and any reference to lumber in any special hazard schedule.

The **license tax** of $10 a year which has been imposed on **fire insurance** companies by the town of Cape Girardeau, Mo., has been increased to $25, which means a tax of from 15 to 25 per cent. of their total premium income in that place.

The **Trinity Life and Accident** insurance company of Dallas, Tex., has been chartered at Austin, Tex. The capital is $300,000, and the incorporators are I. J. Willingham, A. S. Doerr and R. L. Spann, all of Dallas.

The sixtieth anniversary of the organization of the **Ohio Farmers insurance company** of Le Roy will be celebrated by the Indiana agents of the company at their annual meeting at Winona Lake July 28 and 29.

An offer to **make good** the **impairment** of the **Great Western Life** of Kansas City and to continue the company in business has been made to the Missouri Insurance Department by President Quinn.

Drought is prevailing **in New Mexico** and fires have been very greatly increased, while it is feared that moral hazard may be introduced by the large number of farmers who are leaving the Territory.

The **Springfield Fire and Marine** has under consideration entering Canada, and is awaiting the report of Assistant Manager A. D. Dean, who is now on a visit to the Western Provinces.

The **Calumet Fire of Chicago** has entered Kansas and Colorado, locating with Merriman, Ellis & Benton at Kansas City and the Sanger-Bonsal Agency Company at Denver.

All negotiations for the **amalgamation** of the Union Marine of Liverpool and the Indemnity Mutual Marine of London have **fallen through**, according to official advices.

The **Allegheny Fire of Pittsburgh** has withdrawn from New York State, and the company's agents have been notified by Superintendent Kelsey of the revocation of its license.

No more horse drawn vehicles in the Los Angeles fire department. The city is installing a complete system of **automobile fire apparatus.**

The **Freeholders insurance company of Topeka,** Kan., has been authorized to do business in New York State. It has a capital of $200,000.

Taking of evidence in the **Kansas anti-trust** cases has been resumed by the Attorney General of that State at Hutchinson.

Personal.

Agency Appointments.

California insurance company: Frank C. Sturdevant, of Philadelphia, general agent for New England, New York and New Jersey.

Columbian National Life: Joseph Bowen, manager of the personal accident and health department at Atlanta, Ga.

Jefferson Fire of Philadelphia: Merrill & Braniff, of Oklahoma City, general agents for Oklahoma.

New Brunswick Fire of New Brunswick, N. J.: Alfred Paull & Son, of Wheeling, W. Va., general agents for that State; Turner & Thomas, agents at Baltimore.

Old Colony Life of Chicago: Samuel P. Jones, of Birmingham, State agent for Alabama; M. A. Fee and James H. Musell, agents at Milwaukee; H. B. Carr, agent at Grand Rapids, Mich.; A. C. Doescher, agent at St. Joseph.

Phenix of Brooklyn: Charles E. Siefken, special agent for Iowa.

Royal Exchange: Lawrence F. Lamping, State agent for Oregon and Washinton, reappointed after two years' service with the North British and Mercantile.

Mr. Ralph W. Smith, vice president of the National Surety of New York, has been paid a delicate compliment by the city of Denver, Col., in connection with his work in furthering the completion of the Auditorium there, in which was held the Democratic National Convention. A pass handsomely engraved in gold, and enclosed in a leather case for pocket use, has been presented to him by the city of Denver, which will admit Mr. Smith and wife to the building, and is good for life. The National Surety was bondsman of the original contractor who defaulted, and the surety company took over the work and successfully completed it.

Mr. Herbert R. Clough, former manager of the accident and health department of the Empire State Surety of New York, has been appointed a special agent of the Ætna Life in the accident branch, with headquarters at Portland, Me. At Atlanta the company has appointed Lipscomb & Co. agents for the liability department in addition to the general agency firm of Charles C. Thorn for accident and health business. Both agencies will write all lines of business in the accident and liability department.

Mr. Joseph A. Butler, who has been associated for the past four years and a half with the office of the Fidelity and Casualty in Pittsburgh, has been appointed general agent for western Pennsylvania of the accident department of the Pacific Mutual Life of Los Angeles. He will look after twenty-one counties. Mr. J. W. Fritts, of the North American Accident of Chicago, district manager in Pittsburgh, has also joined the Pacific Mutual as general agent of the monthly branch of the accident department.

Mr. Robert L. German has been appointed manager of the burglary insurance department of the Massachusetts Bonding of Boston for the Metropolitan district of New York. He has been connected for the past three years with the Ætna Indemnity. He succeeds Frederick R. Sheppard, who resigns to become burglary manager of the London Guarantee and Accident.

Mr. Garrett H. Brandley, forty-six years old, an insurance broker of Newark, N. J., died on Saturday last at the German Hospital from the effects of heat prostration. Brandley, feeling weary from the intense heat, indulged in a cooling shower bath. He was stricken with chills and became so ill that his removal to the hospital was necessary. He failed to rally.

Mr. H. L. Bohannan has resigned as manager of the fidelity department in the Chicago office of the National Surety, effective August 1. He has not yet announced a new connection. He is succeeded by Homer H. McKee, who in 1903 was connected with the office for a short time, but for the past five years has been in business in Cleveland, Ohio.

Mr. A. N. Hamilton, formerly assistant secretary of the Pittsburgh Board of Fire Underwriters, and later compact manager at Washington, has been appointed special agent of the Royal Exchange for New Jersey, eastern Pennsylvania, Maryland and the District of Columbia, with headquarters at Philadelphia.

Mr. Pierre S. Boisse, formerly connected with the New York city office of the Central Accident of Pittsburgh, has become associated with the accident and health department of the New Amsterdam Casualty of New York, under Manager Wrigley, and has charge of the French department.

Mr. William Sexton, the veteran general adjuster of the Fireman's Fund, has returned to San Francisco from the trip around the world, on which he was sent by the company in recognition of his services in settling its San Francisco conflagration losses.

Mr. S. P. Lockwood has resigned as ageneral agent of the Northwestern Mutual Life for Oregon to become vice president and general manager

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of the Columbia Life and Trust Company, of Portland, which has been organized as a legal reserve company.

Mr. John H. Griffith has resigned as special agent of the British America and Western Assurance companies in Wisconsin, and his territory will be added to the field of George R. Crosley, special agent of the companies in Iowa.

Mr. Charles W. Du Bois, adjuster for the Commercial Union and the Palatine in New York State, died at Syracuse July 7, aged sixty-four years. He had been a special agent of the Commercial Union since 1872.

Mr. J. J. Brinkerhoff, actuary of the Illinois Insurance Department, has been engaged by the Missouri Insurance Department to make the examinations of the Missouri life companies.

Manager Frank Lock, of the Atlas Assurance Company of London, has returned from a visit to the home office on the occasion of the centennial celebration of the company.

Mr. Roy Smith has resigned as special agent of the Fireman's Fund in western Missouri, Kansas and Oklahoma, to go into the local agency business at Kansas City.

Mr. William Henry Clark, for twenty-seven years an adjuster for the Des Moines Fire insurance company, died at Des Moines July 4, aged seventy-four years.

Mr. R. W. Lacy, Jr., has resigned as secretary of the South Atlantic Life to become vice president and actuary of the Southern Life of Fayetteville, N. C.

Vice President George T. Wilson, of the Equitable Life, returned from Europe on the steamer which arrived at New York on Wednesday.

Mr. Charles E. Rawson, organizer and president of the Des Moines Life, is reported as seriously ill, with no hopes of recovery.

Casualty and Surety Insurance.

Unusual accidents of the week are as follows: In opening with an axe a box containing explosives just landed at Boston from a steamer of the Hamburg-American Line, two Government customs inspectors were killed; while lifting from a shelf in a vault a strong box containing valuable papers, the receptacle slipped, striking the owner on the head with fatal effect; struck by a baseball, a Pittsburgh lad died from the resulting hemorrhage of the mouth, which continued for several days; falling from a scaffold while painting a hospital roof, a painter was precipitated to the ground by the breaking of a rope on the scaffold and was instantly killed; a porter in a Mills Hotel in New York fell seven stories down the elevator shaft while working on the roof of a car; in trying to reach her Teddy bear, a little girl fell from a fire escape, receiving probably fatal injuries; fright caused the death of a Connecticut woman, who died fifteen minutes after being stung on the arm by a wasp; a New York automobile manufacturer is near death as a result of ptomaine poisoning received from eating clams at a bake; the Governor of New Jersey was thrown from his horse at guard mount when the animal took fright at the brass bands; while driving his automobile to Coney Island a man died at the wheel from a hemorrhage; a Chicago physician was drowned in White Lake, Mich., by the capsizing of his sail boat; miscalculating the distance as he walked along the string piece of a pier, a New Jersey man broke his leg as he fell to the deck of a scow; falling from the stable door on which he was perched to harness a kicking horse, a Somerville, N. J., man fell to the ground and broke his arm in two places; thinking iodine was soda water, a boy gave it to his sister to drink, with almost fatal results; a stray bullet from the gun of a young man, who was practicing shooting a few blocks away, struck a Norristown, Pa., girl in the side as she sat unconscious of peril in her own back yard; a sailor on shore leave, with his pet ferret under his arm, was badly bitten on the thumb by the infuriated animal; an amateur motorist was badly burned by the explosion of the gasoline tank of his motor boat; her wedding ring becoming caught in a seat bolt as she alighted from a trolley car in New York city, a young married woman was thrown to the street and badly bruised; three Union Hill, N. J., boys died in one day from powder wounds contracted on the Fourth, which induced lockjaw; tickling a mule with a piece of straw was serious for a Philadelphian, who was taken off to the hospital with a fracture of the right arm; in trying to ward off an expected blow from her husband, a woman pushed her betterhalf and he, losing his balance, fell to the sidewalk and died from a fractured skull; during the rush hours at the Fourteenth street station of the New York Subway a woman was knocked down and badly injured; a Connecticut man who was sitting on the veranda of his home was killed by a ball of fire which suddenly descended from a telephone wire.

A **revision** of its **liability policies** has been made by the **New Amsterdam Casualty** of New York. The manufacturers' form agrees to indemnify for injuries "suffered or alleged to have been suffered," and includes "death resulting at any time therefrom." It includes among the injuries, liability for which will be assumed by the company, those suffered by any person whose wages are included in the estimate, even though caused by officers or others whose wages are not included, and those suffered by drivers, their helpers, salesmen, collectors and messengers when away from the works, if not engaged in installations or mechanical demonstrations. It expressly affirms the obligation of the company to defend suits against the insured, whether groundless or not; to bear all expenses of such defense, including costs which may be taxed against insured, without regard to the limits of liability stated in the policy, and does not permit the company to divest itself of this obligation by payment of the full limit under the policy. It permits the insured to provide any needed immediate surgical relief at the cost of the company; to bring suit for money paid in satisfaction of any judgment, and to take advantage of the full period provided by any statutory provision of his State for notice of accident or beginning of legal proceeding, where such provision does not agree with any time limit in the policy. The period in which the company may claim the right of auditing the assured's books is limited to not more than one year after the expiration of the policy, and the insurance is continued in force for thirty days for the benefit of the estate in case of the death of the assured. Provision is made in case of cancellation that when the company cancels it may retain not more than the earned premium instead of the full minimum premium stipulated. It limits the time during which the company can claim the right to audit the books of the insured to a period not more than one year after the expiration of the policy, and continues the insurance in force for thirty days for the benefit of his estate in case of death of insured. While this policy contains the usual provision allowing cancellation by either party at any time, it provides that when the company does the cancelling it may retain not more than the earned premium instead of the full minimum premium stipulated. In addition to this policy, this company issues an employers' liability policy for the use of contractors, public liability policies for the use of manufacturers and for the use of contractors, a general liability policy, an elevator policy, a team policy, and all the other usual forms of liability insurance.

A policy designed to meet the demand for a **low premium accident contract** for the man of small salary has been prepared by the **Ætna Life of Hartford.** The premium is $10, and the contract is rightfully expected to be a big seller. No medical examination is required, and a $250 payment for death from any cause is combined with the accident contract, being paid in addition to the accident indemnity when death occurs by accident. Here are some of the features: Two hundred and fifty dollars for death from any cause whatever; $1,000 for accidental death within 200 weeks of date of injury in addition to the $250 for death from any cause (this amount increases $100 yearly for five years); $2,000 for accidental death caused by travel, elevator or burning building accident

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within 200 weeks of date of injury, in addition to the $250 for death from any cause (this amount increases $200 yearly for five years); $5 weekly indemnity for disabling accidental injury up to 200 weeks; $10 weekly indemnity for disabling accidental injury caused by travel, elevator or burning building accident up to 200 weeks. Specific amounts for loss of limb or eyesight, fees for surgical operations and surgical treatment, and the beneficiary is insured up to $1,000 without extra cost for travel, elevator or burning building accidents. The life certificate is attached to the accident contract and covers persons between eighteen and fifty-five years for death occurring within the limits of the United States, Canada or Europe, south of 60° north latitude, not including any territory acquired by the United States since 1897. The life contract will continue as long as the accident policy to which it is attached is maintained in force. The idea of combining accident and life insurance at the popular price of $10 originated in the fertile brain of Manager Charles H. Phelan, of the accident department in the New York branch office. He reasoned that the price and nature of the covering would appeal to the younger element of salaried men, who being young would be good risks, and as time went on would naturally become policyholders of the Ætna Life for larger amounts. That he guessed right has been demonstrated by the unusual success of the innovation, as the proverbial hot cakes have not been in it compared with the sale of the new $10 policy. Who says there is nothing new under the sun!

The Empire State Surety Company has revised its forms of **liability insurance policies,** and the phraseology leaves little room for doubt as to the extent of the covering. The policies are also adaptable to the vagaries of individual risks and arranged for covering for a period of one or three years, as the case may be, without the attachment of a rider or other indorsement. The basis upon which the premium is to be computed is clearly stated. The first section of the insuring clause covers loss from liability for damages growing out of death or bodily injury, while the second section provides for the defense of all suits, whether groundless or not. In the manufacturers' form the covering extends to drivers if enumerated in the schedule; also to salesmen, collectors and messengers, whose compensation is included in the schedule wherever they may be in the service of the assured. Provision is also made for covering ordinary repairs and renewal of existing equipment. The schedule of the teams policy defines the limits of the insurance and fixes the basis of premium with or without loading or unloading, this feature being covered without rider or indorsement simply by providing in the schedule for the payment of premium for it. Provision is also made in the section of the insuring clause of the teams policy for the defense of suits brought to determine the assured's liability for damage done to the property of others not in his custody. Clause A among other things provides for the payment of medical expenses and any expenses which may be incurred in defending any suit under the policy, including court costs and interests accruing after entry of judgment upon such part of the judgment as shall not be in excess of the limits provided for in the schedule. What is not covered in the policy is set forth in Clause B. Where the company has issued a concurrent teams policy accidents happening to drivers engaged in other duties than driving will be covered, although the wages of such drivers are not included in the estimate of wages in the employers' policy. The wages or salary or drawing account of the assured, whether an individual or partnership, need not be included in the estimate of wages, and the salary paid to the president, vice president, secretary or treasurer of a corporation insured likewise need not be included.

The *Standard Bulletin* for July contains the following **inspiration for agents** of the Standard Accident, which may enthuse others as well:

Probably no other line of human endeavor offers the wide range of opportunity to men of creative ability and ambition as does the business of insurance. It is essentially a business requiring constructive powers in its servants, and the possibilities of reward are limited only to the extent to which the individual permits his capability to be developed and applied. Success is measured by the man's power to see wherein lie the things to be accomplished, backed up by energy, ambition and devotion to his work. "Labor conquers all things." Work has been man's saving grace since commitment of the first sin, and by it man has brought about his civilization and enlightenment. The earnest, conscientious, steady, hard worker is the winner in the struggle for success. A desire for higher things is essential to progress. Without ambition there can be no inspiration—no advancement. Restriction stunts growth. True success depends upon broad ideals and unselfish desires. "Submergence of personal ambition in ambition for the company and its future is the work of the constructive mind." The success of the organization is necessary for the success of the individual. He who labors for the advancement of his company secures his own, but he whose inspiration is personal ambition alone fails of reaching the same height because to him ideals have been restricted, and development proportionately stunted. Above all is loyalty. Loyalty is appreciation. It is to submerge one's identity in that of the organization. To become thoroughly imbued with the idea that ours is the one great company—the one whose methods are absolutely right—whose success is the one great aim. It is to remember in the hour of glory the great structure that has made success possible. It is love—love for one's work. That's loyalty, and loyalty marks the big hearted, big brained man who finds success in the service of a big organization.

The American Assurance Company's *Quarterly* gives some excellent advice in its current issue as to **precautions in sea bathing,** which all summer vacationists should read. The article says in regard to this matter.

Remember that there is an intimate sympathy between the stomach and the brain, and when the process at work in the stomach is brought to a sudden standstill there may be a reaction injuriously affecting the brain. Never bathe when tired, depressed or chilly, because in these conditions a good reaction is not likely to follow, and the body remains chilled. The fact of remaining chilled after sea bathing indicates one of two things: either that you have stayed in too long, or that cold bathing does not agree with you. Never stay in the water until your teeth begin to chatter and your fingers become stiff and livid. Many people who would be greatly benefited by a sea bath of five minutes' duration make themselves ill simply because they stay in the water too long. Never urge or drive children into the water against their will. Let them get used to the idea of bathing. The delusion that sea water doesn't give cold is accountable for much. A chill may be caught by a wetting from sea water. There is a certain stimulation to the skin from salt, no doubt, but that does not prevent chills from indiscriminate exposure to wetting by salt water. Chill to the lower part of the body is always dangerous. It is much more so to a child than to a grown person, though many people seem to think the reverse is the case. Never lie on the sand to dry off after bathing—a frequent source of rheumatism.

The United States Treasury Department has modified its recent ruling as to **seals on bonds.** A circular of June 22 stated that the seal was the very essence of the bond, and that an instrument purporting to be a bond and executed without a seal was not a bond. In a communication to the collector of customs at New Haven, Acting Secretary Beekman Winthrop says:

Referring to your further inquiry as to whether a rubber stamp of the corporate seal meets the requirement of the circular, you are advised that if the common seal of the corporation is in the form of an impression seal the use of a facsimile of such seal or a rubber stamp may be accepted, provided the same is adopted as a special seal by resolution of the corporation, as provided by Paragraph 3 of the circular; otherwise not. Referring to your statement that "if required to use an impression metallic seal, corporations would be required to bring such seals to this office whenever executing a bond, which would be in many instances most inconvenient, especially where such seals are made stationary and immovable," you are advised that the surety companies provide their agents with small pocket impression seals, being exact facsimiles of the common corporate seal except as to size. There are thousands of these seals in use throughout the country, and they are preferred by the department to any special form of seal.

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A **semi-annual dividend** of 4 per cent. has been declared by the **New Amsterdam Casualty** of New York, which shows that the conservative management of the company under President W. F. Moore has begun to tell in the beginning of the dividend paying epoch. The net surplus of the company when President Moore took charge March 1, 1901, was $20,948.32, while at the present time this item has increased to $176,190.80. The reserves have increased in that time from $223,046.69 to $513,633.97. Better yet, the company has the admiration and respect of the insurance community.

The thirty day policies of the **Pennsylvania Casualty** are being put out in blocks to be sold by agents, newsdealers and hotels. The application and policy are written at one time by the use of an indelible pencil and a carbon sheet. A postal card is supplied the assured with which to notify the company of his purchase of the policy and its number. The agent is to settle each week for the policies sold, his commission being 25 cents on the dollar.

The new New York city offices of the **United Surety of Baltimore** in the Royal Building, which were recently opened, are in charge of resident Vice President John B. Murphy, with James H. Hughes as resident manager. Adequate branch office facilities are thereby afforded for transacting business. Mr. Murphy is a practical surety underwriter who hails from the American Surety and the London Guarantee and Accident.

The special license of the **Ætna Indemnity** to do business in Tennessee has been revoked by Commissioner Folk on account of its reduction of its capital stock from $500,000 to $250,000. The company may continue to do a general business in the State, but cannot make bonds because of the law which requires companies having less than $300,000 capital to deposit $25,000 with the State.

The officers of the **American Guarantee Company** of Chicago have registered a denial of the report that the company was preparing to establish a department for the **insurance of bank deposits** under charge of Col. James B. Branch, for many years secretary of the American Bankers' Association.

According to our Chicago correspondent, several organizations of employers in Chicago are negotiating with **liability companies** to **place** their **insurance in a block,** expecting a reduction in rates because of the wholesale deal.

The United Surety of Baltimore is preparing a series of **personal accident policies** which will be placed on the market in a few days. The Philadelphia Casualty is also preparing to issue some new personal accident policies.

The general agency of the **National Surety** of New York **at Atlanta,** Ga., has been purchased by Boyd Perry from the Hatcher agency. He has taken also the accident lines of the Empire State Surety of New York.

The **General Accident** of Perth has been admitted to Ohio, and made its deposit of $100,000 with the Insurance Department of that State.

The **$100,000 bond** for the receivers of the Gould Railway system has been written by the **United Surety** of Baltimore.

Communications.

Southern Fire Insurance Agents Were Not in Sympathy With the Louisiana Commissions Bill.

ATLANTA, Ga., July 14, 1908.

To the Editor of The Weekly Underwriter:

In your issue of the 11th inst. you intimate that the militant spirit of the Southern agents has found expression in the introduction and advocacy of the bill recently before the Legislature of Louisiana. This does injustice to the agents of this section, for I am reliably informed that as a body the local agents' association of the State had nothing to do with the measure, and in fact were ignorant of it. Prominent agents not only deplore the action taken, but declare that only in their individual capacity could any of the Louisiana agents have advocated such a measure, and that at the proper time the responsibility for this unwise attempt to coerce the companies will be made to rest where it belongs. That the agents generally do not approve such tactics is abundantly apparent on all sides. The following extract of a letter from one of the best informed locals in the South makes this clearer than I can in a brief note of this kind:

> The bill before our Legislature was never considered by the local agents in any meeting or gathering. It was fostered, if at all, by a small syndicate at New Orleans, who were not as smart as they thought they were, and have since learned a few things. They have done us who are working on business lines to secure a reconsideration of this question a grievous wrong, and gives our cause a temporary setback. I am sorry, deeply sorry, for it, my dear Mr. ————, but you may rely upon it that there will be no recurrence if I and a few others can prevent it. The telegrams from our companies were acted on promptly; you know the rest.

FULTON.

[Our correspondent is in error in attributing to us the statement that "the militant spirit of the Southern agents has found expression in the introduction and advocacy of the bill." We used the qualifying words "the militant party among the Southern fire insurance agents." That there is a fighting faction is evident by the course of events; but we are aware from a number of private communications that its following is not important.—ED.]

Insurance Legislation.

Complete copies of all important bills in the legislatures affecting insurance are on file in the office of THE WEEKLY UNDERWRITER.

Georgia.

ATLANTA, July 14.—Mr. Howell, of Walton County, has introduced a bill to provide for the incorporation of mutual aid, benefit and industrial life insurance companies or associations without capital stock; to provide for the organization of such companies and to provide for the amendment of the charters of mutual aid, benefit and industrial life insurance companies, incorporated under the laws of this State and doing business in this State, on the co-operative or mutual assessment plan.

Louisiana.

The following is a summary of insurance legislation in Louisiana during the session which ended July 9:

BILLS WHICH BECAME LAWS.

By Mr. Barrett—An act prohibiting the use of the coinsurance clause in policies of insurance covering losses on property in this State from fire, lightning or windstorm, except where the policies cover only personal or movable property, and the special consent of the insured has been obtained in writing to adopt a coinsurance clause in his policy contract.

By Mr. Wimberly—An act requiring fire, life, accident and

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other kinds of insurance companies, other than surety and fidelity and fraternal societies, organized under the laws of other States, to give a bond payable to the State Treasurer, conditioned for the prompt payment of claims arising in this State, and providing penalties for the enforcement of this act.

By Mr. Wimberly—An act relative to fire insurance; directing fire insurance companies to furnish blanks for proof of loss; providing the effect of failure to furnish same; requiring fire insurance companies to promptly adjust losses and to pay the amount due under their policies, and specifying a penalty for failure to pay the amount due under their policies within sixty days after the receipt of proofs of loss from the insured; requiring copies of this act be furnished the assured, which is to be considered a part of the policy contract.

By Mr. Wall—An act providing that life, health and accident insurance companies which issue policies or contracts of insurance to the assured without a medical examination by a physician, shall waive their right to claim forfeiture for misrepresentation, etc., under certain conditions.

By Mr. Kaliski—An act permitting duly authorized insurance agents or solicitors of this State to divide commissions with insurance agents of other States.

By Mr. Kaliski—An act to prevent discrimination between policyholders of life insurance companies doing business in the State of Louisiana, by the sale of special contracts or other inducements under the pretense of making such holders agents of the company, and providing for the enforcement of this act.

By Mr. Oeschmichen—An act prohibiting insurance companies doing business in this State from paying the insurance adjusters, or to companies engaged in the adjustment of losses, any fee or compensation in excess of a regular salary or stipend, and providing penalties for the violation of this act.

Two local acts passed were: One by Mr. Richardson, providing for the manner of organizing mutual life insurance companies, and the other by Mr. Atkinson, providing for the organization of insurance companies on the stock plan for the purpose of transacting life, health, accident, burial and sick benefit insurance on the industrial plan.

The Legislature also passed a joint resolution introduced by Mr. Cordill proposing an amendment to the constitution of the State of Louisiana, providing for the exemption from taxation, under prescribed conditions, of loans made upon the mortgages of real estate and the notes evidencing such loans; and loans made by life insurance companies to their policyholders, upon the sole security of policies held by the borrower in the company making the loan, as well as all notes or written instruments evidencing such loans.

BILLS WHICH FAILED TO PASS.

By Mr. Furlow—An act to prohibit insurers of immovable property from relieving themselves of the obligation to pay the amount of the policy in case of total loss or the actual damage in case of partial loss.

By Mr. Kaliski—An act to prohibit the transaction of any insurance business by individuals, partnerships, corporations or associations that have not complied with the laws of this State regulating the business of insurance, and prescribing penalties and remedies in cases of violations of the provisions of this act.

By Mr. Kaliski—An act to provide for licenses to agents to procure fire policies in unauthorized corporations, providing for a bond to be given by such agents and for a tax upon the receipt of premiums received for policies so issued within the State.

By Mr. Henriques—An act relative to life insurance companies doing business in the State of Louisiana, fixing the amount and manner of deposit to be made with the Treasurer of the State of Louisiana, said deposit to be made in Louisiana securities, defining what is meant by Louisiana securities, and repealing all laws in conflict with this act.

By Mr. McCulloh—An act to construe warranties of fact in policies of insurance against fire, tornado or cyclone.

Other bills which failed to pass were: By Mr. Moise, to amend the act of 1898 to regulate fire insurance, and by Mr. Legarde, to amend the act of 1906 making life and endowment insurance policies non-forfeitable.

The bill by Mr. Favrot prohibiting fire insurance companies from making any discrimination against Louisiana agents in the matter of paying commissions, which passed both houses of the Legislature, was vetoed by the Governor.

Miscellany.

Mr. Pipkin's Dream.

At the centenary banquet of the Atlas insurance company of London, held at the Savoy Hotel June 24, at which the one hundredth anniversary of the foundation of the fine old company was celebrated by some 200 gentlemen present, Mr. Samuel J. Pipkin, general manager, was called upon by the chairman, Mr. Herbert Brooks, for a speech, and this was his response:

Mr. Pipkin said that almost every day for the last twenty-five years he had been looking forward to the present occasion. It had filled not only his days but his nights. The centenary having occupied his thoughts so much, they would not be surprised to hear that the other night he dreamed a dream. There was an old man standing before an assembly something like that he now saw before him. He appeared to be talking to himself; he was, as a matter of fact, talking to them, and this was what he said: "They say I am 100 years old today. I scarcely believe it, and yet I can remember the pæans of gladness which welcomed the news of the battle of Waterloo; and unless history is altogether wrong that must be ninety-three years ago. I remember, too, all the long after part of my life. I am not ashamed of anything I have done. I might have done better, no doubt; others have done better who were engaged in the same sort of occupation that I have been engaged in. It was a curious occupation. I started to do good in the world by borrowing money from my friends. I borrowed £120,000, and I have returned it all back to them thirteen times over, and yet I have left more than twenty-five times that £120,000 in hard cash at the present time.

"So that I have been fairly prosperous. I never assumed to be a king in the world of finance, nor a prince in the world of philanthropy; but this I can say—no persons who have entrusted their money to me have found me to have abused their trust. I have given back thousands for hundreds received. My life's work has been to rebuild houses destroyed by fire, and to step into the darkened home of the widow and the orphan and shed a little light there. Many are the expressions of gratitude I have received in my 100 years, and without vainglory and pride I cannot help but feel that there is something noble in the livelihood which I have followed. I have had many friends; I have many friends today; I have them all the world over, for when I was seventy-five I went abroad and met with kindness everywhere; I hope to have more.

"With all my friends, many of whom were my competitors, I have had few quarrels; I have made, I believe, no enemies. Occasionally I have been driven into the law courts, and then I have nearly always succeeded, and when I did not succeed I always had the gratification of feeling that I ought to have done it. (Laughter.) I have had good servants. One of them in this room tonight has served me for over fifty years. I have had always some trusty counsellors at my side, generally twelve, and they have restrained me from many acts of imprudence into which, lured by the greater ambition and success of some of my competitors, I might have been tempted. I have seen many of my old friends go under and I have consoled with them; but I have had this satisfaction—that I never did a thing to bring them there or to prevent their living as long as I have lived. I have only about four left who were friends of my childhood. I have had a happy life and a fairly successful life. I thank my friends for rallying round me tonight—my friends of 1908. I thank them for their good wishes and hope to carry them with me through the coming century, so that at 2008 we may all find ourselves hearty and strong, glorying in another 100 years of friendship, of mutual help, mutual forbearance and mutual encouragement."

When the old man stopped talking he reverently dropped on bended knee, and there arose a globular halo which settled on his shoulders, and at once I said to myself: I know that man; it is my old friend for whom I have worked for twenty-five years; whose every secret I have known, whose private diaries I have kept; and, gentlemen, I can say that every sentiment of that

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dream speech is absolutely true of the character, aims and work of the old Atlas. Gentlemen, I thank you.

In a centennial book prepared by the company for its friends, entitled "Atlas Reminiscent," the following interesting facts about the company appear:

Business was commenced on Midsummer Day, 1808, and the first fire loss occurred within six weeks. Mr. Henry Desborough was appointed secretary (he being but twenty-four years of age) at a modest salary, with residence on the Cheapside premises and "coals and candle." When eventually the business crowded him out he was compensated for disturbance at the rate of £300 a year. The secretary went on an extended tour (by coach) to collect subscriptions to the capital and to survey textile mills in the Northern and Midland districts, which latter work led to a table of rates. Nearly all the paid-up capital was pledged in 3 per cents., as much as £56,000 being bought at the low price of 67.

At an early date the lease of 92 Cheapside was purchased and later on the freehold, the adjoining house being acquired in 1833, when the present office was erected. In respect of the old building, window tax was paid on thirty-six windows. Mr. Sugden, afterward Lord St. Leonards, drew up the deed of settlement; and Mr. Charles Ansell, so eminent as a consulting actuary, was a clerk in the office in 1808, becoming the company's actuary in 1823, and holding that position till 1864. It was he who staggered the Bishop (Blomfield) of London by naming a hundred guineas as his fee for some professional work. A charming description of Mr. (afterward Dr.) Pacifico interviewing, at her home, a society lady who declined to attend the office is related in connection with the medical examination of proposers for life assurance, the doctor's tact and delicacy being plainly visible in a picture illustrative of the occurrence.

At one time the Atlas owned its own fire brigade in the metropolis, the engine house being in Earl street, Blackfriars. Silver medals were occasionally presented for distinguished services at fires by amateur assistants. In 1814 a man found guilty of arson on premises insured in this office was sentenced to death, "the criminal swinging amid the blackened ruins of that house in Half Moon street." With reference to a suspicious fire under policy 12,293 the directors "Resolved unanimously that Mr. Smith be given in charge," etc.

Among the lives insured were those of the Princess Victoria, aged sixteen; Emma Lady Hamilton, Sir Walter Scott, J. M. W. Turner, the artist (an original shareholder), and Fanny Kemble. Certain curious extras to life assurance premiums in the olden times are quoted. Perhaps the strangest of all those named was that of 20 shillings on Liverpool pilots who were in danger "of being carried by adverse winds against their wills to the coast of America"! Some daring underwriting seems to have been indulged in during the early years, and in 1813, '14 and '15 there was no dividend. In Ireland the accounts were kept in Irish currency, and the harp figured in the policy forms instead of the man with the world on his back. It is interesting to learn that the 18 penny fire insurance rate made its appearance in 1825. The use of the fire mark is noted, as also the order of the directors in 1830, consequent upon an epidemic of incendiarism in Kent, that all farming property insured with the Atlas was to have the company's mark affixed.

At the company's jubilee in 1858 there were 600 agents, 40,000 policies in force in the fire department, and a total income of £300,000. Local committees were abolished in 1859, but in 1885 the modern branch system was adopted. We are told that a year or two after the start policies were issued on risks in the West Indies; that the office escaped the Hamburg conflagration in 1842, but that the Tooley street fire swallowed up nearly half a year's income. Extensions into foreign fields of fire insurance commenced in 1885 with an agency in Calcutta. A graceful tribute is paid to the loyalty of agents, some firms dating their first connection with the company from its origin, and many from the jubilee in 1858 or before. It is recorded that one enthusiastic agent a few years back named his infant son "Atlas"!

On the Burning Line.

(Col. Garrett Brown in the Insurance Leader.)

The fire insurance companies are always on the burning line. With them it is not unlike a great army constantly engaged in battle, and there is absolutely no rest, no cessation of hostilities. There is a skirmish always—small losses here, there and everywhere—and then at intervals, by no means rare, there is a general engagement—conflagrations or many heavy losses in different sections at the same time.

The company managers may be likened unto generals in chief, and special agents and general agents to field marshals, while the locals are the men behind the guns, so to speak. Good generalship consists in a well drawn plan of campaign and the ability to select efficient and courageous field marshals. Any fire insurance company which is deficient in representatives of a high grade, who are to deal directly with local agents, is liable to utter defeat or rout at any time. The fire manager's troubles come from more than one cause. Not only must there be a loss ratio sufficient to show a profit but premium receipts must be great enough to make a profit worth while.

If the reader be a local fire insurance agent let him survey the field mentally for a moment, and study the generals at the head offices of the companies in his agency. Let him review their records, scan the men who are sent to him to inspect their business, and then make comparison with some other companies. In other words, let him analyze the companies, or rather their managerial departments, and he will not be slow in discovering that luck is no element in fire insurance. He will learn, too, why it is incumbent upon him to perform an active and intelligent part in the carrying forward of the battle of fire insurance. He, the local agent, must do picket duty and must bear the brunt of the heavy battles when they come. And to do this efficiently necessitates good management at the head office, and shrewd and intelligent work on the part of the field marshals—the special agents.

To sum up: The fire insurance companies operate upon an extremely small margin, and it takes but a little to swerve the burning line from the expected course to an extent that will entail loss instead of profit. This burning line must be eternally guarded, and this is best done when the man behind the gun—the local agent—is tractable and reasonable and courageous enough to stand up for his companies and demand fair and just treatment from the public, as well as a sufficient rate from insurants.

Very few people understand the complex nature of fire underwriting. The fire manager has no sinecure, you may be sure. Upon his shoulders rests all the blame for failure to cull profit from the business from year to year, and in the absence of an unsual conflagration it is hard to explain to stockholders the causes for lack of profit when that very essential feature is minus in the annual statement. There are lots of people who can manage a fire insurance company locally, but those who can handle one that ramifies the whole country with its agency system, successfully, are few and far between. Perhaps if we could get at the figures it would be easily shown that for every success in fire underwriting in this country there have been twenty failures. It is a precarious business at best, but like all other lines it may be mastered and so handled as to bring a profit to individual companies, while the majority on the burning line are battered down and swept aside.

The Fire Insurance Commissions Movement in the South.

The bill in the Louisiana Legislature to prohibit fire insurance companies from paying greater commissions to local agents of other States than are paid to agents of Louisiana passed the Senate unanimously and the lower house by a vote of 85 to 12. A number of local agents of the State signed a petition for the passage of the bill, but a few minutes after it had passed the house Insurance Commissioner McGivney received a telegram from them saying that they wanted it defeated. It is understood that this followed notice to them by the companies that they would retire from the State if it became a law. A general agency at Atlanta sent the following telegram to Representative Henriques:

If the Favrot bill becomes law we will be compelled to withdraw from Louisiana. Business interests will be seriously jeopardized if we quit you, and the present fire insurance rates will be doubled. If the house has already passed the bill, see the Governor. He will veto it if you present these objections. Your prompt action necessary.

Other telegrams and one cablegram were received, and word went forth in the Legislature that the companies were trying to coerce their agents. But in the meantime New Orleans agents were hurrying "as fast as steam could carry them to the State capital," says a lurid account in the New Orleans *Picayune*, "to stop the passage of the bill. It was in the hands of the Governor, who was about to sign it and make it into a law." The *Picayune* gives this version of the sequel:

There was nothing to be done but to beseech the Governor to veto the bill. He declared it was a proper law, and refused to kill it unless it could be shown that it would work great damage to the commercial interests of the State. It was not enough that

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the law would deprive the agents of their business, since they had knowingly taken that risk. But when it was shown that the withdrawal of the great companies from the State would result in raising rates by those that might remain the Governor finally declared himself desirous to save the State from such extortion, and so he pocketed, and thereby killed, the bill. The entire transaction is a reflection upon the shortsighted view of some persons who seek legislation for personal or class benefit, and on the haste and heedlessness with which sometimes the most serious legislation is accomplished. A great lawmaking assembly is not a mere variety show, nor a concern for the granting of personal and class favors. It is charged with the most serious business possible, often involving enormous financial interests, and even life itself. Its work ought to be done with care, a due solicitude for the public good, decently and in order. This seems to be what the law requires.

INSURANCE COMMISSIONER M'GIVNEY'S STATEMENT.

The Louisiana Insurance Commissioner deplored the defeat of the bill for a different reason than that apparently given by its introducers, and made the following statement:

Notwithstanding the Favrot bill failed to become a law, the fact that it was so seriously considered as to be passed by both branches of the Legislature will have the effect of forcing the home offices of the companies to take some notice of the efforts of Southern States to be put on an equity with States elsewhere in the matter of payment of commissions to agents. The agents themselves have been protesting vigorously at the annual meetings of the officers of the companies and meetings of the South Eastern Tariff Association to be put on the same basis in the payment of commissions as other localities, but without avail, and only this year the companies' officers at a meeting at Atlantic City turned down flat a strong resolution, signed by the leading agents of the South, asking for the same commissions as the companies pay in the West and East.

As State Insurance Commissioner I developed the fact in the hearing before Governor Sanders that, notwithstanding many of the Southern States, like Louisiana, are furnishing a more profitable business to companies by a fire loss ratio much smaller, the companies pay a commission to the agents of from 25 to 50 per cent. less than is paid to local agents of other States on the same class of business. No explanation was offered Governor Sanders by the companies' representatives except that competition forces the companies to pay this larger commission on a less profitable business, the only excuse being that the demand for increased commissions in the business centres where competition is keen is so strong that the companies cannot resist, and are compelled to pay larger commissions there.

The Commissioner concluded by asserting that "the passage of the Favrot bill would have had the effect of compelling the companies to cut down the rate of commissions in the East and North and force a uniform rate to agents and a consequent reduction in the fire tax to the public."

ATTITUDE OF THE VIRGINIA AGENTS.

The Virginia Association of Local Fire Insurance Agents at its recent annual meeting adopted the following resolutions defining their position on the commissions question:

Resolved, That no question is ever settled until it is settled on a basis of right, fairness and justice, and the agents of the South will ever insist that the compensation paid to them shall be as high as that paid in territory adjacent, adjoining and communicating, such as Kentucky, Tennessee, West Virginia, Ohio, Maryland and other States too numerous to mention, and we earnestly call upon the companies to right this manifest injustice and discrimination against the Southern agents, to the end that good feeling may again prevail, and hearty co-operation exist between the companies and agents, which is essential to the general good and welfare of the business.

Resolved, That a copy of these resolutions be sent to the president of the South Eastern Tariff Association, and one to each company holding membership in said association, and to the officers of each local agents' association in the South, and we invite the local agents' association of each Southern State to take some action in line with the above.

Resolved, That each company be requested to make response to these resolutions, and advise the president of the association its position on this matter, and what action it will take looking to some adjustment of same, to the end that a settlement be reached as early as possible.

Resolved, That the president of this association be instructed to forward to each company and department general agent a copy of the report adopted by this association on the commission question, and that he secure a reply from each company or general agent thereto, and when all these replies have been received, the president is requested to call the commission committee into conference and consider same, and they be authorized to call a special meeting of this association if in their judgment the same be necessary.

FIRE INSURANCE AGENTS
CAN GET
LIBERAL COMMISSIONS
ON CASUALTY LINES
PHILADELPHIA CASUALTY CO. PHILADELPHIA PA.

THE NEW BUSINESS OF
The Equitable Life Assurance Society of the U. S.

for the first six months of 1908 is 55% greater than that secured during the first six months of 1907. The prosperity which Equitable agents are enjoying is destined to increase, because—

Equitable policies are readily sold by reason of the endorsement of the State of New York and the Society's great financial strength.

Equitable death claims are almost invariably the first to be paid, enabling the Equitable agent to secure what local business may result therefrom.

Equitable agents are furnished with better canvassing material than is supplied by any other company.

Equitable agents receive advantages and aid from their General Agents not usually accorded by other companies.

Equitable liberality and fair dealing toward policyholders and agents alike, make it the best Company to insure in and the best Company to represent.

Agents of character and ability desired.

For Particulars address:

GEORGE T. WILSON, 2nd Vice-President.
120 Broadway, New York

NOTICE
Insurance Losses and Claims for Damages amicably and satisfactorily Adjusted. Otherwise resisted, defended at Law or in Equity for Companies by
T. F. HANLON
ADJUSTER AND ATTORNEY
BALTIMORE, MD. Calvert Bldg. WASHINGTON, D. C. Colorado Bldg.
(Address Washington. 'Phone: Main 7132).
Twenty-five years' experience Member Bar U. S. Supreme Court.
GO ANYWHERE. OPERATE ANYWHERE.

The Connecticut Mutual Life Insurance Company
Stands alone among the American companies of any note, in having repaid to its members, their beneficiaries and estates, in annuities, endowments, death claims, surrender values and dividends, more than it has received from them in premiums. These are the totals:

Received since organization—1846	$249,356,745.45
Repaid as above noted	253,641,382.54
Excess over amount received	4,284,637.09
Assets December 31, 1907	65,003,271.10
Surplus December 31, 1907	2,326,657.25
Insurance in force December 31, 1907	174,716,005.00

President, JOHN M. TAYLOR.

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Insurance Co. of North America,

232 WALNUT STREET, PHILADELPHIA.
FOUNDED 1792.

Assets, January 1, 1907		$10,748,864
LIABILITIES—Reserved for Reinsurance and all other claims	$6,705,870	
Capital Stock	3,000,000	
Surplus over all Liabilities	1,042,994	$10,748,864

Agents in all the principal towns and cities.

CHARLES PLATT, President.
EUGENE L. ELLISON, Vice-President.
BENJAMIN RUSH, Second Vice-President
GREVILLE E. FRYER, Secretary and Treasurer.
T. HOUARD WRIGHT, Assistant Secretary.
HENRY W. FARNUM, Marine Secretary.
JOHN O. PLATT, Assistant Secretary.

Offices in New York: Fire, 51 William St.; Marine, 63 Wall St.

GERMANIA
FIRE INSURANCE COMPANY
NEW YORK.
ORGANIZED 1859.

Cash Capital	$1,000,000.00
Assets	5,185,649.51
Net Surplus	949,260.99

HEAD OFFICE
Cor. William and Cedar Streets.

PHENIX INSURANCE COMPANY
OF BROOKLYN, N. Y.

NEW YORK OFFICE:

68 WILLIAM STREET.

[FIRE]
German American Insurance Company
New York

STATEMENT JANUARY 1, 1908

CAPITAL
$1,500,000
RESERVED FOR ALL OTHER LIABILITIES
7,592,685
NET SURPLUS
4,415,353
ASSETS
13,508,038

COMMERCIAL UNION ASSURANCE CO.
LIMITED,
OF LONDON.

OFFICE:
Cor. Pine & William Sts., New York

SAMUEL GANS, President
LEOPOLD GANS, Vice-Pres. & Gen'l Mgr.

SAMUEL GANS CO.
186-188 WOOSTER ST., N. Y.
New York Chicago Atlanta

Renovators of Fire and Marine Salvages

Telephone: 580 Spring

Stocks handled at lowest percentage consistent with proper results, accompanied always with Cash Guarantee. Our methods fortify adjusters in advance of closing loss.
Always telegraph or telephone at our expense.
Expert advice cheerfully given.

EDWIN W. WILE, Resident Manager
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The Preferred
Life Insurance Company
of New York
SUPERIOR POLICIES
KIMBALL C. ATWOOD, President,
290-292 Broadway, New York.

1825. THE 1908.
Pennsylvania Fire Insurance Co.
OF PHILADELPHIA.

Cash Capital	$750,000.00
Reinsurance and all Liabilities	4,096,833.14
Surplus	1,615,283.97
Total January 1, 1908	$6,463,117.11

R. DALE BENSON, Pres.
JOHN L. THOMSON, Vice-Pres.
W. GARDNER CROWELL, Sec.
CHARLES W. MERRILL, Asst. Sec.
HAMPTON L. WARNER, Asst. Sec.
WM. J. DAWSON, Sec. Agency Dtep.

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Empire State Surety Co.
Executive Office: 84 William St., New York.
192 Montague St., Brooklyn.

General Surety Bonds
Plate Glass
Liability
Burglary
Boiler
Personal Accident and Health Insurance

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Daniel Stewart, . . Secretary
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Warrel S. Pangborn, . Treasurer
Hugo Hirsh, . General Counsel

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HOME OFFICE OF THE

Metropolitan Life Insurance Co.

INCORPORATED BY THE STATE OF NEW YORK

The Company OF the People, BY the People, FOR the People.

PROOF OF PUBLIC CONFIDENCE

This company has more premium paying business in force in the United States than any other Company, and for each of the last 14 years has had more New Insurances accepted and issued in America than any other Company.

The number of Policies in force is greater than that of any other Company in America, greater than all the Regular Life Insurance Companies put together (less one), and can only be appreciated by comparison. It is a greater number than the Combined Population of Greater York, Chicago, Philadelphia, Boston, St. Louis, Cleveland, Cincinnati and Milwaukee.

ASSETS.

United States, City and R. R. Bonds and Stocks	$81,500,727.38
Bonds and Mortgages	74,620,197.45
Real Estate	19,905,688.48
Cash	5,258,969.45
Demand Loans on Collateral	3,476,500.00
Loans to Policyholders	6,552,375.12
Prem. deferred and in course of collection (net)	4,772,106.25
Accrued Int., Rents, etc	2,233,904.15
Total	$198,320,463.28

LIABILITIES.

Reinsurance Fund and Special Reserves	$181,775,579.00
All other Liabilities	1,542,871.65
Capital and Surplus	13,951,899.14
Total	$198,320,463.28

Largest Office Building in the World—Madison Avenue, Fourth Avenue, 23d Street and 24th Street, New York City.

SIGNIFICANT FACTS

This Company's Policy-claims paid in 1907 averaged in number one for every 64 seconds of each business day of 8 hours each and in amount $124.95 a minute the year through.

THE DAILY AVERAGE OF THE COMPANY'S BUSINESS DURING 1907:

452 per day in number of Claims Paid.
6,391 per day in number of Policies placed and paid for.
$1,239,393.45 per day in New Insurance placed and paid for.
$162,489.27 per day in Payments to Policyholders and addition to Reserve.
$72,011.34 per day in Increase of Assets.

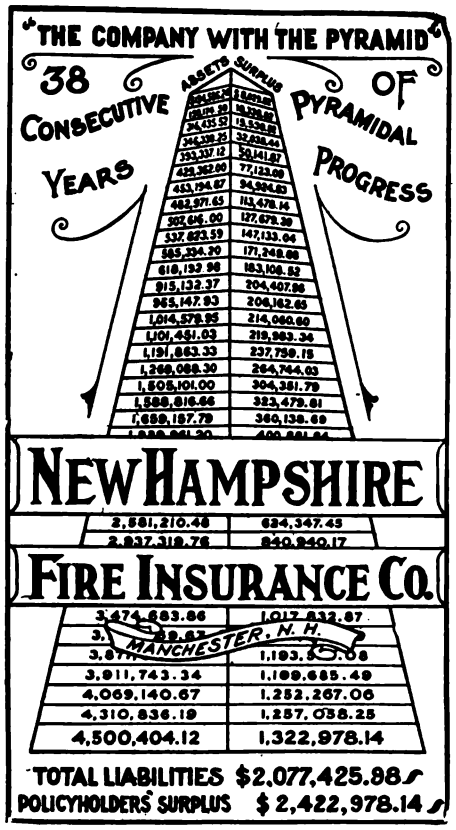
OFFICERS

JOHN R. HEGEMAN	President
HALEY FISKE	Vice President
GEORGE H. GASTON	2d Vice President
GEORGE B. WOODWARD	3d Vice President
FRANK O. AYRES	4th Vice President
JAMES M. CRAIG	Actuary
FREDERICK H. ECKER	Treasurer
WALTER STABLER	Comptroller
JAMES S. ROBERTS	Secretary
JOHN R. HEGEMAN, Jr.	Asst. Secretary
J. J. THOMPSON	Assistant Secretary
T. R. RICHARDSON	Assistant Secretary
F. F. TAYLOR	Assistant Secretary
FREDERICK A. BETTS	Assistant Secretary
STEWART L. WOODFORD	Counsel
THOMAS H. WILLARD, M. D.	Med. Direct.
AUGUSTUS S. KNIGHT, M. D.	Med. Direct.
W. S. MANNERS, M. D.,	Asst. Med. Director
E. M. HOLDEN, M. D.	Asst. Med. Director
I. J. CAHEN	Manager Ordinary Dept.

Paid to Policyholders since Organization, plus the Amount now invested for their Security, $407,462,482.06.
Number of Policies in Force, 9,620,009. Amount of Outstanding Insurance, $1,804,946,581.00.

In its Ordinary Department policies are issued for from $1,000 to $1,000,000 on individual lives, premiums payable annually, semi-annually and quarterly. In its Industrial Department policies are issued on all the insurable members of the family for weekly premiums.

Full particulars regarding the plans of the Metropolitan may be obtained at its Home Office, 1 Madison Ave., New York City, or of its Agents in all the principal cities of the United States and Canada.



SUN

Insurance Office OF LONDON

FOUNDED 1710

UNITED STATES BRANCH:

54 PINE STREET, NEW YORK

WESTERN DEPARTMENT:

171 LA SALLE ST., CHICAGO

PACIFIC DEPARTMENT:

N. E. Cor. Sansome and Sacramento Sts.
SAN FRANCISCO, CAL.

The Agricultural Insurance Company of Watertown, N. Y.

ESTABLISHED 1853.

Assets, January 1, 1908	$2,717,477.10
Total Liabilities, except Capital	1,705,859.80
Joint Stock Capital	500,000.00

HANOVER

Agencies in all the Principal Places in the United States.

Fire Insurance Company OF NEW YORK.

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FIREMENS

Insurance Company of Newark, N. J.

ORGANIZED 1855

CAPITAL, ... $1,000,000.00
ASSETS, ... 4,701,068.80
SURPLUS TO POLICYHOLDERS, 3,148,371.45

DANIEL H. DUNHAM, Presfdent CHARLES COLYER, Vice-President
A. H. HASSINGER, Secretary

WHITON & MERGES, Agents, . . 73 William Street, New York
LEWIS & FREAR, Agents, . . . 145 Montague Street, Brooklyn
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IN

FIRE INSURANCE and ACTUARIAL SCIENCE

EVENING CLASSES

NEW YORK UNIVERSITY
School of Commerce, Accounts and Finance

For complete information, address

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Mutual Life Policies

ARE EASIEST TO SELL

BECAUSE

Yearly dividends have been increased for the last three years, 1906-7-8, at a rate equalled by no other company.
Cash values guaranteed in the new life and endowment policies, are equalled by few companies, and excelled by none.
Attractive features have been added to standard policy forms.
Liberal terms offered producing agents under the 1908 contracts.

For information, address

GEORGE T. DEXTER
Second Vice-President
The Mutual Life Ins. Co. of New York
34 Nassau Street, New York, N. Y.

North British & Mercantile

INSURANCE COMPANY,

OF LONDON AND EDINBURGH.

Established 1809.

OFFICE:

76 WILLIAM STREET,
New York City.

SAFETY FUND INSURANCE.

NIAGARA

Fire Insurance Company
OF NEW YORK.

OFFICE:
185 & 187 BROADWAY.

NATIONAL LIFE INSURANCE CO.

of the United States of America

CHICAGO

ESTABLISHED 1868

ALBERT M. JOHNSON, President
ROBERT E. SACKETT, Vice-President
CHARLES B. SHEDD, Treasurer
ROBERT D. LAY, Secretary

RECORD OF 1907

Insurance in Force December 31st. -	$50,066,932.77
Gain in Apportioned Surplus in 1907, -	105,734.09
Gain in Assets, - - - - - - - - -	1,037,668.19
Excess of Income over Disbursements,	1,093,023.43

CHICAGO'S OLDEST AND STRONGEST COMPANY

London Assurance Corporation,

CHARTERED A. D. 1720.

Surplus in United States January 1, 1907, $650,599.91.

CHAS. LYMAN CASE, Manager.
84 William Street. New York

THE Fidelity and Casualty Company,

97-103 CEDAR STREET, NEW YORK CITY.

Assets, $7,537,429.91.

Capital and Surplus, $2,013,400.24.

Losses Paid to January 1, 1908, $26,629,131.90.

This Company grants Insurances as follows:
Bonds of Suretyship for persons in positions of trust,
Fidelity Bonds, Burglary, Plate Glass,
Steam Boiler, Flywheel, Employers',
Public, Teams, Workmen's Collective,
Elevator and General Liability;
Personal Accident, Health
Physicians' Liability and
Bonded Attorneys' List.

OFFICERS:

George F. Seward, President.
Robert J. Hillas, Vice-President and Secretary.
Henry Crossley, Assistant Secretary.
Frank E. Law, Second Assistant Secretary.
George W. Allen, Third Assistant Secretary.

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PENN MUTUAL LIFE

OF PHILADELPHIA

HAS FURNISHED

PERFECT PROTECTION AT PROPER RATES

For 60 Years

Our agents are representative citizens of their respective communities.

Provident Life and Trust Co.

OF PHILADELPHIA.

The **new policies** of the Provident are unsurpassed for conciseness and simplicity of form and for adaptability and liberality in all essentials.

The premium rates of the Provident are exceedingly low and are still further reduced by large annual dividends.

Organized 1871

Life Insurance Company of Virginia

HOME OFFICE, RICHMOND, VIRGINIA

J. G. WALKER, President.
T. WM. PEMBERTON, 1st Vice-Pres. W. L. T. ROGERSON, Secretary.

The PIONEER Southern Industrial Life Insurance Company.
The OLDEST Southern Life Insurance Company.
The LARGEST Southern Life Insurance Company.
The most approved forms of Life, Endowment and Industrial Policies issued on favorable terms.

Assets ..... **OVER $3,500,000 00**
Insurance in force ..... **OVER $60,000,000.00**
Total payments to policyholders since organization ..... **OVER $8,000,000.00**

Head Office for the United States:

57 and 59

William Street,

NEW YORK.

A. G. McIlwaine, Jr., Manager.

LONDON & LANCASHIRE FIRE INSURANCE COMPANY

CHARTERED 1866.

HARTFORD LIFE

Insurance Company of Connecticut

GEO. E. KEENEY, President.

ALL THAT IS BEST IN LIFE CONTRACTS
EITHER TO BUY OR SELL

$30,000,000 Paid Policyholders and their Beneficiaries.

Your Eye, Please!

IN USE MAY 1, 1908

New Premium Rates - - - - - - ***Low***
New Surrender Values - - - - - ***Large***
New Policies - - - - - ***Highly Liberal***

and back of them the

MASSACHUSETTS MUTUAL LIFE INSURANCE CO.
SPRINGFIELD, MASS.
INCORPORATED 1851

F. W. SMALLMAN, Manager of Agents for New York City, 1401 Empire Building.

SECURITY MUTUAL LIFE

Insurance Company

BINGHAMTON, N. Y.

FREDRIC W. JENKINS, ... President

Life Underwriters desiring a policy contract that appeals to young men should write for particulars relative to our new Perfection Endowment; it is a winner.

For territory and terms address
C. H. JACKSON, Superintendent of Agencies,
Home Office.

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The Weekly Underwriter:

AN INSURANCE NEWSPAPER.

VOL. LXXIX. NEW YORK, SATURDAY, JULY 25, 1908. No. 4.

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Subscription price: Five Dollars per annum in advance.

All communications should be addressed to THE WEEKLY UNDERWRITER, 58 William Street, New York.

Checks and money orders should be made payable to the order of THE WEEKLY UNDERWRITER.

Entered at the New York, N. Y., Post Office as second class matter.

CHARLES A. JENNEY, President and Treasurer. L. ALEXANDER MACK, Secretary.

THOSE well meaning but unripe humanitarians who agitate for laws forbidding the industrial insurance of children are common to both the United States and Great Britain, and recently they have been exploiting their theories again in the latter country, notwithstanding the death of their old time leader Waugh. They had a bill in Parliament to prohibit the insuring of the life of a child under two years of age for a larger sum than the equivalent of fifteen dollars. The bill was defeated in committee on the ground taken so often before that there is no evidence existing that insuring the lives of children has led in any perceptible degree to their neglect and death. It was shown that about five-sixths of the children of the British working classes are insured. Child murder is exceedingly rare, and if among the cases which occur there is any marked proportion of insured children killed the fact would be made notorious. Notwithstanding the incessant raids on the insurance of minors in this country, particularly before the legislatures of New York, Massachusetts and other States with large industrial populations, it is a noteworthy circumstance that in but one State of the Union have they been followed by the enactment of a prohibitory law. Colorado alone has indorsed the slander upon the working people that they are capable of sacrificing their children for the pitiful sums which will scarce suffice to give them decent burial, by legislation forbidding the insurance of minors under fifteen years of age. There is a well defined agitation now in that State among the labor class for the repeal of the law.

THERE is merit in the contention of the attorneys for the defendant in the Pierson-Burr "twisting" case, so called, that the issue is one to be tried by regular process in a court of law and not by the Superintendent of Insurance, and we suspect that Mr. Kelsey is quite willing to have the matter take that course. He began a hearing this week of the first complaint under the amended law of 1908, which was brought by an agent of the New York Life, Mr. Pierson, against an agent of the Northwestern Mutual Life, Mr. Burr, in which it was charged by the former that the latter endeavored to induce a New York Life policyholder, Mr. Burton, by means of certain misrepresentations as to the probable results of his policies in that company, to drop them and accept policies in the Northwestern Mutual Life in their stead. While taking testimony the second day the Superintendent was served with a restraining writ, issued by a Supreme Court justice, and was obliged to suspend the inquisition until the court passes upon his lawful right to hold it. In a case involving so grave a punishment as a revocation of license and fine or imprisonment it would seem that there should properly be a grand jury indictment and a trial safeguarded by the usual forms of law. This will doubtless be assured by the decision of Justice Goff, when the restraining writ is returned on Wednesday of next week. The question to be decided by these proceedings is not one of "twisting" but of misrepresentation. The law does not forbid plain "twisting"—or "readjustment of insurance," as Agent Burr terms it—but the making of "any misrepresentation to any person insured in another company for the purpose of inducing or tending to induce such person to lapse, forfeit or surrender his said insurance." The falsifying of the facts concerning the policy attacked is the core of the matter. If the twister must still pursue his sly calling let him be careful in his statements.

IN view of the violent reaction from radicalism in Georgia, evidenced in the defeat of Hoke Smith in the Democratic primaries by a "railroad candidate," one need not be surprised to hear that there is little prospect of extreme insurance legislation at the present session of the Legislature, and none whatever of the passage of the bill requiring the investment of life insurance reserves in Georgia securities. It is truly encouraging to see a Southern State at last lead off with the admission that "capital cannot be handled with a club." We notice that "Joe" Brown, the prospective next Governor of the "Empire State of the South," has been saying this in forcible terms to his constituency since his triumph. "He drew a gloomy picture," says an account of his speech, "of the depression which had come over Georgia as the result of agitation which denounced the corporation, but ignored the fact that the corporation is but the union of individual citizens, and took no account of the circumstance that the interests of capital and labor are inextricable. He dissented from the limitation of corporate profits to five per cent., while other capital earns 20 to 100 per cent., and argued that if corporations break the laws punishment should be visited upon their officers and not upon innocent investors. This is the reason that capital has been driven into safe deposit vaults or out of the State and trade is depressed." The drastic treatment of railroads, which Georgia has just repudiated, has been the kind of treatment that has been popular in the South in dealing with insurance. Fortunately for the latter, however, it is not an interest nailed down to wooden ties on the soil. It can take to itself wings when it is maltreated, as it did in Arkansas and later in Texas. The fact that capital will not come to a locality or will not stay in a locality where it is made unprofitable by law has been discovered by Georgia, and it may be recognized by other States of the same section after the Presidential election, and possibly before, by some of them.

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Facts and Opinions.

The Superintendent of Insurance came to New York on Monday, and opened a **hearing upon the complaint of Wilbur H. Pierson,** an agent of the New York Life insurance company, **against L. G. Burr,** an agent of the Northwestern Mutual Life insurance company, that the latter endeavored to induce James H. Burton, a policyholder of the former company, to drop three policies in that company, one for $10,000, carried since 1903, and the others for $5,000 each, carried since 1904, by misrepresenting the results of said policies, and take policies in their stead in the Northwestern Mutual Life insurance company. James H. McIntosh, general counsel for the New York Life, appeared for Mr. Pierson, and the defendant was represented by H. A. Powell. Testimony was taken as to the statements made by Mr. Burr to the insured, and a letter written by the former to the insured in which he professed to show the disadvantages accruing to the New York Life policies was put in evidence. Counsel for the defendant demurred to the jurisdiction of the superintendent, but was overruled. He then produced evidence tending to show that the statements of the defendant were only suggestions as to probable results, which he wished to be submitted to a representative of the New York Life for discussion, and that the policyholder, Mr. Burton, did actually arrange for a meeting of the representatives of the two companies for the purposes of discussion on these points. The figures of the estimate used by the defendant were prepared by Preble Tucker, and he testified that they were to be used solely for submission to a New York Life man for concurrence or refutation. While the superintendent was giving an adjourned hearing to the case on Tuesday he was served with an alternative writ of prohibition issued by Justice Goff, of the New York Supreme Court, on the application of the defendant's attorney, directing the superintendent to desist and refrain from any further proceedings, and to show cause on July 27 why he should not be permanently restrained from so doing. The contention of the defendant's attorney is that as the alleged offense is made by the law of 1908 a misdemeanor there must be a regular indictment of the accused and a regular trial, if indicted, by the proper judicial court. Mr. Kelsey submitted to the interruption of the hearing, saying that he was perfectly satisfied to have the courts pass upon the new law, and on Tuesday afternoon returned to Albany.

A report on the **conflagration hazard of Paterson, N. J.,** has been made by the engineers of the committee on fire prevention of the National Board of Fire Underwriters, who revisited the city to discover what progress had been made as to conditions as a result of the report of the engineers in 1904. Rather unfavorable conditions were shown by the reinspection. The report states that there is still a serious conflagration hazard in the mercantile and congested value section; also in the manufacturing districts. There has been some improvement in the fire department, but the department would be hampered by overhead wire obstructions and the poor type of many of the hydrants. The enforcement of the window protection ordinance is lax. The distribution of the water supply is by a high and low pressure service, the former being on a direct pumpage, and the later by gravity. Only one main artery enters the congested value district, but there are a fair number of secondary feeders. A large proportion of minor distributors are small. The condition of the hydrants is good, but they are generally too small. The fire department is slightly undermanned, but the companies are well distributed. The fire alarm system is of the automatic "village" type, while the boxes, though of an unsatisfactory kind, are well maintained. Much old wire has been replaced since 1904. The recommendations of the committee of twenty in many cases had not been carried out, and the later report urges that the recommendations regarding water supply should be followed; also that the firemen be present at all times in sufficient numbers, and that several new companies be established. The proposition to establish a modern manual fire alarm system is called to attention, and it is recommended that the fire headquarters be further protected against outside exposure. A recommendation for the appointment of a competent city electrician to inspect all wiring is reiterated. It is recommended that automatic sprinklers be installed in all buildings which by reason of their size, construction or occupancy might act as conflagration breeders.

A sample copy of the new **savings bank life insurance policy** as issued by the People's Savings Bank of Brockton, Mass., has been sent out accompanied by an explanatory pamphlet issued by the State. The new feature connected with these policies is that they do away with the customary expense of insurance collectors, and claim to give the insured the benefit of the profits of the department. Another feature is the combination of insurance and annuity benefits. The Commonwealth of Massachusetts not only authorizes the issuance of these policies, but pays part of the expenses of the savings banks in issuing annuities and life insurance policies. The applicant for insurance is to go the savings bank in his town which has complied with the requirements and ask for the policy or annuity, and then pay the monthly premium regularly, a detail which may be arranged by keeping a deposit account with the bank and giving the bank a standing order to pay your premium. According to the pamphlet's statement this form of policy shows a saving of about 25 per cent. on the ordinary insurance policy. The insurance and annuity policy requires a monthly premium until the sixty-fifth birthday. After that time the bank will pay a certain sum of money to the insured every year of his life, or in case of death prior to the age of sixty-five a certain sum of money will be paid to the family at the death of the insured. The monthly premiums vary from 25 cents to $1.25, the insurance from $124 to $500, and the annuity from $24 to $100, varying according to the age of the insured when the policy is taken out. A whole life policy and an endowment policy are also issued under similar terms. A grace period of four weeks is allowed with revival privileges within the year. Whenever the surplus fund of the bank insurance department shall equal 10 per cent. of the net insurance reserve or guaranty fund, then this policy (insurance and annuity) shall annually receive its share of the balance of the entire annual profits of the insurance department of the bank. From banks adopting an insurance department a general guarantee fund of $20,000 and expense fund of $5,000 are required, both of which must be backed by the trustees of the bank.

"I am opposed to trusts, monopolies and combinations, therefore I favor this bill," said Mr. Kalinski in the Louisiana House of Representatives in advocating the forcible **advance of commissions to fire insurance agents.** "This long distance lobbying against this bill is an outrage on the General Assembly," said Mr. Roberts, of the Parish of Webster. "I don't believe the fire hazard in Louisiana is greater than in other States, and for that reason I cannot see why Louisiana agents should not get as much in the way of commissions as others," exclaimed Mr. Morgan, of the Parish of St. Tammany. "The sooner we find out who is running this State, we or the foreign insurance companies, the better it will be," declared Governor Sanders. All the time the legislators, backed by the executive, were standing up indignantly

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for the rights of the agents, the latter were imploring the legislators and the Governor to cease standing up for them. "I think the bill is a vicious one. I do not think that the Legislature should undertake to regulate the compensation our employers should pay us," said Agent Heidenheim. "If you sign this bill it is my conscientious opinion that every Louisiana agent will be hurt beyond anything he can dream of," said Agent Moss to the Governor. Mr. Ross, of the Royal, "called attention to the fact that the companies had paid $1,500,000 in losses in New Orleans already this year; more than all the premiums they could collect. He was not present to make a threat. But the moment the margin of profit was wiped out, as it would be by this bill, his company would cease writing business." Mr. Mount, of the German-American, said: "The great danger presented was that if the bill was signed every State from the Rio Grande to the District of Columbia would follow suit, and the result would be higher premiums for the insured to pay." The above are extracts from the speeches in the Legislature or the hearing before the Governor, as reported in the New Orleans *Vindicator*.

More than 300 agents of the **Northwestern Mutual Life insurance company** attended the annual meeting of the agents' association at Milwaukee on July 17. The meeting was called to order by William T. Gage, its president, and the announcement was made that the company had received in new and paid up insurance during the past business year a total of $107,350,000; that it now has in force in insurance a total of $913,000,000. Among the speakers at the meeting were Judge Palmer, the retiring president, who received an ovation of applause and tears; the new president, Mr. Markham; Second Vice President Skinner, Judge Noyes and General Agent Norton of Chicago. There was a banquet in the evening at the Plankinton. Dr. C. E. Albright, of Milwaukee, who has received the Northwestern medal for writing the greatest amount of insurance in the past year, $1,258,750, was elected the new president of the association, and the other officers elected were J. W. Fischer, St. Louis, Mo., vice president, and Franklin Mann, Chicago, secretary-treasurer. At the meeting of the General Agents' Association Charles D. Norton, of Chicago, was elected president; H. E. Crouch, of Buffalo, vice president, and Millard W. Mark, of Cincinnati, Ohio, secretary-treasurer. Regarding the immediate future of the company in connection with legislation Judge George H. Noyes, general counsel, speaks as follows:

Things are going along so smoothly that we are not very much interested in legislation just now, but I could tell you some secrets if I dared, but I don't dare. Just now we are trying to make out how many illegal votes were cast in the election. In looking over the lot of 20,000 responses out of 270,000 votes that were invited, 25 per cent. are found to be irregular and illegal. This does not show a lot of intelligence on the part of the policyholder, or else it does not indicate a great deal of wisdom on the part of the Legislature that passed the law. The expense of this election will be a great sum. This was a kind of make believe election, as there was only one ticket in the field. It does not make much difference how many votes are cast or how many must be thrown out, but the expense is there just the same. It is a costly mere formality.

At the request of the Continental insurance company S. H. Lockett, formerly secretary of the committee of twenty of the National Board of Fire Underwriters, and now with the Continental and Fidelity companies, has made an expert survey of **conflagration conditions in the lower East Side of Manhattan** Island, and has made a report to President Evans, the conclusions of which are:

It is a common saying that owing to the density of the population a fire can burn only a few feet before it scorches someone's shirt tail. This fact is trotted out as proof that a fire cannot get a start in the district. We should not be misled. Every now and then a fire gets headway, even in the tenements, enough to burn up ten or twelve people. It is only a question of time when such a fire, or one started by one of the special hazards sandwiched in among other risks, will get away. Every block is a risk, and the blocks are not cut off from one another. When we figure on the inadequacy of the public protection, the weakness of the territory structurally and the population hazard, it must be admitted that the conflagration hazard is extreme. The population hazard is a serious factor. It is a matter of time only when some bad fire is going to start and drive the people swarming to the streets. The already handicapped fire department will be further impeded by the mass of humanity choking all avenues of operation, and the world will see its "worst catastrophe." In ordinary times it is difficult to pick one's way about on account of the crowd. Think what a panic will mean and what chance the fire department will have with its cumbersome hose and apparatus in a struggling mob of frantic humanity! Fourteen people were killed by a panic on an open plain at the coronation of the Czar. We don't seem to realize what the fire department contends with ordinarily, much less at a time such as that indicated, and it is difficult to understand why so many underwriters close their minds to the facts. We have comparatively little to lose in the territory, but that is not the question. This huge, unbroken fire area exposes the rest of the city, with nothing to arrest a conflagration once developed in it. There is little that can be done within reasonable time, however, but improve the protection under the control of the city, and this ought to be hastened, in the interests of humanity as well as of property.

At the annual meeting of the **North Carolina Fire Underwriters' Association** held at Raleigh July 8 the following officers were elected: R. W. Murray, president; W. B. Strachan, first vice president; J. Van B. Metts, second vice president; J. M. Harrell, secretary. The association expressed its sentiment on the **commissions question** by the adoption of the following emphatic resolutions:

Resolved, That we feel assured that the conditions throughout the Southern States justify the demand for an increase in the compensation to agents. The loss ratio has steadily decreased, and now compares favorably with that of other sections where a higher commission is paid. There has been a decided increase in the cost of doing business under the present conditions, and while the compensation to agents in other territory has been increased in the past few years, yet there has been no increase in compensation to agents in the Southern territory for over a quarter of a century. While it is true that the volume of premiums has increased in the South, yet it is also true that the entry of numerous new and non-Board companies into the field, the multiplication of agencies, and the reduction in rates for improvements in construction and protection have more than absorbed this increase in premiums.

Resolved, further, that no question is ever settled until it is settled on a basis of right, fairness and justice, and the agents of the South will ever insist that the compensation paid to them shall be as high as that paid in territory adjacent, adjoining and communicating, such as Kentucky, Tennessee, West Virginia, Ohio, Maryland and other States too numerous to mention, and we earnestly call upon the companies to right this manifest injustice and discrimination against the Southern agents, to the end that good feeling may continue to prevail, and hearty co-operation exist between companies and agents, which is so essential to the general good and welfare of the business. And we respectfully and earnestly urge the necessity of speedy action in the settlement of this question to enable us to maintain the present efficient co-operation of the local agents.

The Supreme Court of Arkansas on July 13 denied a rehearing to the Attorney General in the **tax case** of the **London and Lancashire** insurance company. The suit as originally instituted was in the nature of a test of the Wingo act taxing corporations entering the State. The Attorney General contended that they should be taxed on their authorized capital. The corporations claimed that they should be taxed on their paid up capital only. The Secretary of State, however, collected on the full authorized capital, and the company in this suit paid under protest and proceeded to test the law. The Supreme Court held that neither contention was correct, and that the proper basis of taxation under the Wingo act was the amount of capital stock subscribed, because when it became subscribed it became a tangible asset and could be held as collateral security and in a general way took upon itself the nature of property; whereas merely authorized capital could not be so regarded. In his motion for a rehearing the Attorney General pointed out that with this construction a little shrewd work on the part of corporations would succeed in their practical evasion of the law. Corporations, he maintained, might authorize a capital stock of a million dollars, pay in only

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$10,000, get a charter from the State by paying the fees on the $10,000, and the very next day subscribe to pay one cent of additional fees. The court, however, declined to take this view of the situation, and refused a rehearing, and there is talk of legislation to define the law.

Counsel for Charles M. Eaton, who is the treasurer, manager and principal owner of the **Ampersand Hotel** property at Saranac Lake, N. Y., destroyed in September, 1907, by fire, has been directed to file suits to recover $50,000 damages for libel against forty-five insurance companies which were interested in the risk. This action follows the recent decision of Supreme Court Justice McLaughlin sustaining the claim of the Ampersand Hotel Company to recover from the insurance companies for the loss. Former Corporation Counsel Ellison, Mr. Eaton's attorney, in discussing the new suits said that the insurance companies had based their action on a confession made by a former employee of the hotel that arson had been attempted, and an effort had been made by the companies to show that Mr. Eaton was behind the scheme to burn the hotel, when as a matter of fact any plan of this discharged employee to burn the hotel would have accrued to the benefit of the former employee, and not to Mr. Eaton, as the former had become interested in an adjoining hotel. It was stated that whereas the loss was $210,000 the insurance was but $100,000, so that Mr. Eaton was a big loser by the fire at any rate. The trial of the action for libel should prove interesting both because of the circumstances involved and the fact that if the action is successful insurance companies will have to be all the more careful in charging arson in defending suits for the payment of losses.

A Tennessee view of the **Southern commissions question** is presented by the insurance editor of the Nashville *American* in that paper. He says:

Fortunately Tennessee agents are taking a sober and reasonable view of the situation. Of course the South Eastern Association's rules do not apply here, but the agents of Tennessee appear to realize that until the Southern States become profitable to the companies any move to increase commissions, reduce rates or make any other change that would work to the detriment of the companies would be a serious mistake. The public in certain quarters appears to overlook the fact that the cities of the South, as well as the country, for that matter, were constructed for the most part since the Civil War, constructed hurriedly and with no view at all to protection against fire. There are many reasons why the fire waste in the Southern States is greater than in other sections, and these things must be taken into consideration. "One difficulty with the local agency matter," said a well known special agent in Nashville last week, "is that the local agents are too numerous. There are twice as many local agencies in the average town and city as there should be. Of course, some of the companies are responsible for this, for they should not encourage the establishment of new agencies when a field is already filled. It is plain enough to see that when an agent who represents only one or two companies and is not making a respectable living out of his commission, he will often take risks that he would not otherwise accept for his company. When the wolf comes about it is the same with a fire insurance agent as any other human being, and in my opinion companies should endeavor to have their agency in the hands of someone who is able to live without putting his company on every risk offered him." This mistake on the part of the companies often brings them grief, and there appears to be a concerted effort to discourage the establishment of more local agencies in the average town. It is true in Tennessee at least.

Rapid growth of population in **Colorado** is accompanied by **rapid building,** and much of the latter is temporary rather than substantial. Fire underwriters are warned to caution by the Denver *Republican*, which says:

At the present time there is but one condition that seems in any way dangerous, and that is the business outlook in northeastern Colorado, which is apparently commencing to loom up as something of a second New Mexico proposition, although there has been no serious loss reported recently from this district. According to local insurance men, who have made trips through that part of the State in the past few weeks, the general prosperity of Colorado has been felt as much in the northeastern section as anywhere else, if not more, with the general result that buildings have been springing up rapidly, and the whole district has undergone considerable expansion. Crops have been up to the average, and the farmer, feeling prosperous, has been willing to help the insurance man along by taking out fire insurance policies. Several companies have planted agencies, and the trade has experienced an impetus that will swell the total premiums by a good sum. The danger of the situation, the insurance men say, lies in the very fact of the expansion. The builders in many instances have not been as careful as they should in regard to material used and construction standard maintained, and some flimsy structures have been erected. So long as these do not get dry the risk is normal. But a dry season might add greatly to the physical risk involved and result in the territory burning up as New Mexico has. For this reason the agents are beginning to look into risks more carefully before writing them and cautioning their agents about being too ready to underwrite different lines.

Suit has been filed in the District Supreme Court at Washington for the dissolution of the **American Home Life** of the District. The action is directed against Gilbert W. Cave, the treasurer. Gross irregularities are charged by the board of directors. It is claimed that Cave, because he owned the majority stock, set himself up as dictator. He has 520 shares, and the opposing influences 280 shares. His enemies claim that the title of general manager is self bestowed, and is not provided for in the bylaws. It is charged that Cave's salary should be $35 a week, but that since January 2, 1905, he has received $50. He is alleged to have purchased on September 17, 1907, one-ninth of the interest in the Puritan Life insurance company, of Washington, but has never rendered an account of the money to the stockholders. The complainants state that they believe Cave owes the company $10,000, and they ask for the appointment of a receiver. The company was incorporated on May 29, 1893, reincorporating June 7, 1896, with the present name. The capital is $20,000.

The Kentucky military authorities are preparing to take drastic measures to suppress anarchy in Trigg and Caldwell counties in that State, where three railroad stations on the Illinois Central were burned by **night riders** Wednesday morning. Governor Willson, after a conference with Adjutant General Johnston, decided that it would be necessary to send a large force of men into the territory, and has posted large rewards to lead to the identity of the night riders, who evidently were retaliating upon the railroad people for permitting the soldiers to camp on its grounds. The feeling is bitter between the citizens and the military, and an open conflict would not come unexpected. Major Bassett is in charge of the State troops, and will ask Governor Willson to declare martial law in the two counties unless he can get the permission of the county officers to scour the county in search of the men who set the stations on fire. The three fires were started at about the same time, and the stations were some two or three miles apart.

Suit was entered at Washington, D. C., on Monday by H. F. Gillingham and Jesse G. McCutcheon against the Capitol **Life insurance company of the District of Columbia, who** asked the court to appoint receivers and wind up the business of the concern. The petitioners state that they are each holders of fifty shares of stock at the value of $10 each. They allege that "the defendant is not carrying on in any of its branches, or in any respect or particular, the business or any part thereof for which it was incorporated and organized, and its assets are being wasted and dissipated by the maintenance of expensive offices and the payment of salaries, without any attempt to do business for which the defendant was organized; the defendant is a corporation in name only." A copy of the incorporation papers declares that the Capitol Life insurance company was incorporated December 27, 1905, "to issue policies of insurance upon the lives and health of

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individuals and grant annuities," and the capital stock was originally fixed at $250,000.

Among the recent deaths of notable Western underwriters is that of **John S. Belden,** of Belden & Bush, Western managers in Chicago of the Fire Association of Philadelphia. He died on Saturday at his Chicago residence from a disease of the bowels and kidneys, and the end was hastened by the extremely hot weather. The *Record-Herald* has the following sketch of Mr. Belden:

Mr. Belden was born at Warsaw, N. Y., September 8, 1839, and resided in Chicago since 1862. He began his insurance career in 1865 as an accountant here for the Security insurance company, going with the Royal in 1871 and the following year with the Imperial. He left the Imperial in 1873 to join the German-American's Western department, becoming assistant manager under the late Judge Eugene Cary. He resigned that position in 1888 to become Western manager of the London and Lancashire, and on January 1, 1902, went with the Fire Association, Belden & Bush succeeding the late W. H. Cunningham as managers for fourteen Western States and three Territories. Mr. Belden had always taken an active part in the affairs of the Western Union, having served several times on the governing committee, one term as chairman, and was also an active member of the Chicago Board of Fire Underwriters and the Fire Underwriters' Association of the Northwest.

Concerning the operation of the **Oklahoma anti-trust law** a special dispatch from Guthrie to the *Journal of Commerce* says that new features are being discovered as its provisions are studied. The law as a whole forced the immediate abandonment of all local boards and the State board, and prevented the establishment of the proposed advisory rater. It is now held that Section 11 will force out of the State the numerous companies which either own the stock of other fire insurance companies or have joint control, since it imposes a penalty of $10,000 upon any company which owns, controls or operates another company in the same line of business in Oklahoma or elsewhere. The companies involved, which include some of the largest American and foreign companies, are seriously concerned, as the law is already in effect, having been passed with an emergency clause, and if interpreted as applying to them they are open to attack by the Attorney General.

The **Connecticut agents of the Commercial Union and Palatine** were entertained in Hartford Thursday by Connecticut Special Agent William R. Penrose, who in the afternoon took them out to the Country Club at Farmington, a suburb of Hartford, where they enjoyed a good outdoor time, while in the evening they were tendered an elaborate banquet at the Hartford Club, at which Mr. Penrose was toastmaster. In introducing Col. A. H. Wray, the United States manager of the company, the toastmaster referred to the fact that Colonel Wray this year completes twenty-five years' service with the Commercial Union. The colonel made one of his characteristic witty speeches. He was followed by Mayor Edward W. Hooker, of Hartford; John C. North, of New Haven, ex-president of the National Association of Local Fire Insurance Agents; New England Special Agent William T. Furness, of Boston, and several others.

The **Alliance Fire of Austin, Minn.,** has reinsured all its liability under fire, lightning and tornado policies in the Connecticut Fire of Hartford. The hail insurance policies will be taken by the Alliance Hail and Cyclone Mutual of Austin, which has had a close affiliation with the Alliance Fire. It is understood that the heavy tornado and hail losses this year, with the disadvantage of doing a small business in a limited field, led the stockholders to retire from the business. The Alliance was organized in 1905, and was licensed only in Minnesota, although it did some business outside. Its assets at the beginning of the year were $261,754, with a reinsurance reserve of $19,649, and a net surplus above the $400,000 capital of $139,488. The net premiums in 1907 were $21,771, with a loss ratio of 40.2, and an expense ratio of 47.6. The risks in force at the beginning of the year were $3,206,106.

Agents of the **Commercial Underwriters' Company** of San Antonio, Tex., who have been operating illegally in New Mexico, will be prosecuted by Insurance Commissioner Chavez, of New Mexico, under the law prohibiting agents writing for an unauthorized company. The company is a "wildcat," which is not licensed in New Mexico, nor is it doing business under the laws of Texas, the State it hails as its home. In a recent department bulletin Commissioner Chavez said:

A Mr. Gates has been arrested in Roswell for soliciting fire insurance for the Commercial Underwriters of San Antonio, Tex., and held under $500 bond to appear at the next term of court of Chavez County. The grand jury of San Miguel County at the last term of court recently held indicted one John Doe and Richard Rowe for soliciting fire insurance for the Mercantile Reciprocal Underwriters of Fort Worth, Tex., and the Commercial Underwriters of San Antonio, Tex., respectively.

The report of Receiver John C. Fetzer on conditions in the **Central Life Securities Company,** the company manipulated by the **Rhodus Brothers,** of Chicago, shows that of the proceeds of stock sales amounting to $1,300,000 only $167,000 are discoverable. Information demanded by Receiver Fetzer has been refused by the Mercantile Finance Company, a subsidiary corporation. The taking of testimony in the case of Ernst Todt has been begun before Master in Chancery George M. Rogers. Todt asserts that he was induced by misrepresentation to invest $9,300 in 31,000 shares of Mina Grande mining stock, which later sold for 6 and 7 cents a share. Todt declares that Thomas Rhodus induced him to sign an option for a large block of first mortgage bonds of the tottering enterprise. He allowed his purchase option to lapse and sought recourse in the courts.

The final report of Frederick A. Betts, receiver of the **National Life Association** of Hartford, filed his final report with Judge Curtis in the Superior Court this week. The receiver was appointed July 7, 1899, and represented five States. The report showed that there is $11,950.86 on deposit in New York, which will be transferred to Connecticut upon the payment of legal claims there, amounting to $2,572.94. The amount on hand in Connecticut is $29,396, and the total amount on hand is $41,346.86. The claim of the receiver for his eight years of service is $16,000, besides which there is a legal claim for $6,085.61. There are about 6,700 creditors, and the estimated expense of sending out checks to them, etc., is placed at $800. If the report is approved by the court a dividend of 6.62 per cent. will be paid to the creditors.

The life insurance companies which withdrew from Wisconsin requested an opinion from ex-Senator **John C. Spooner** on the right of the Insurance Department of that State to require, under the new law, the companies not doing business in the State, but having outstanding policies there, to file reports with the Insurance Commissioner. Mr. Spooner has written a brief in which he holds that the Legislature has no constitutional power to regulate the conduct of companies which no longer are transacting business in the State, and that Section 1954, providing cumulative penalties at the rate of $500 a month for failure to file the reports, cannot be held to apply to them. The brief is a comprehensive and exhaustive summary of the situation, and it is understood that the companies will act on the former Senator's advice.

Arrangements for the entertainment of the delegates to the annual meeting of the **National Convention of Insurance**

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Commissioners at Detroit, and their guests, have been practically completed by Insurance Commissioner Barry, of Michigan. The meeting will be held at the Hotel Pontchartrain August 25, 26 and 27. For the rest the Detroit *Indicator* says:

The commissioners are opposed to any elaborate entertainment, and their wishes have been consulted in the arrangements. It is planned to give the members and guests of the convention an automobile ride about the city and Belle Isle Park on Thursday afternoon, the 27th, and then take a boat at the park or some other convenient point and spend the balance of the afternoon and evening on the water. The steamer Sappho has been engaged, and it is probable that the water feature of the entertainment will include a trip up the river into Lake St. Clair and then down possibly to the mouth of the river. Luncheon will be served on board. Should the weather be propitious nothing more delightful could be planned.

The affairs of the **Interstate Life Assurance Company** of Cincinnati will shortly **be wound up** now that the Ohio Attorney General's department has been instructed by Insurance Commissioner Lemert to bring an action on the ground that the company is insolvent. The company was ordered to cease writing in Ohio by former Insurance Commissioner Vorys in 1901. The examiner's report on June 18, 1908, showed assets of $5,069.14, and liabilities of $7,554.87. The policies now in force represent those which were reinsured from the Odd Fellows' National Beneficial Association of Dayton, Ohio, and those taken over from the Cleveland Life Insurance Association; also four policies issued to officers of the company. The company has insurance in force amounting to $138,467.45.

Concerning the forthcoming publication of the **International Insurance Encyclopedia** we have received the following note from the publishers, Messrs. Singer Company, 55 East Twentieth street, New York:

May we be permitted to amend an expression in your Insurance Encyclopedia statement of July 18 last which might lead to an incorrect conception of the size and contents of the first two volumes of the work? You say: "More than 1,200 biographies, with numerous portraits, are to appear in the first and second volumes." The fact is that Vol. I will alone contain over 1,200 biographies of the prominent insurance men of the past, while Vol. II is to number about 4,000 short biographical sketches of the contemporary worthies of the internatianal insurance world. In Vol. I only will portraits accompany the elaborate biographical essays; none will object to this personal refreshment of our memories with dead people, while, faithful to our policy of impartiality, we want to avoid even the suspicion of flattering some big contemporary insurance magnate.

The Wisconsin Insurance Department has issued a statement regarding the **Great Western Life of Kansas City,** declaring that the company is hopelessly insolvent. In this connection Wisconsin life insurance men are calling attention to the fact that last fall Deputy Commissioner Waite, of the Wisconsin department, examined the Great Western Life, and made a report which was criticised then as an official indorsement of one company licensed in a State as against the other companies. He declared the company to be "absolutely safe," spoke with high approbation of its remarkably rapid growth, which was one of its chief points of weakness, and characterized President Van Laningham as "an affable life insurance gentleman."

A joint stock company with $250,000 capital, to be known as the **International Life of St. Louis,** has been **organized** there to write life insurance, accident and disability insurance. The organizer is J. L. Babler, a life insurance man of considerable experience. He was employed as agency director of the New York Life in New Haven in 1903, and later was transferred to Buffalo. In January, 1907, he organized the North American Life of Newark, and moved to St. Louis, where he became resident director of that company, in charge of all the territory west of the Mississippi. The International will have a surplus of $350,000, and will operate in Missouri, Iowa, Illinois, Oklahoma, Texas, Nebraska and Kentucky.

The recent address of Insurance Commissioner Rittenhouse, of Colorado, on **"The Equalization of Insurance Taxes"** attracted very general attention for its excellence, and this fact leads his home paper, the Denver *Republican*, to observe exultingly:

Since this address was delivered at Atlantic City last week it has been printed in full with editorial comment of every kind upon it by every insurance journal of any importance in the land, and the Coloradoan is warmly praised for his stand, an unusual one among the insurance commissioners, who have given the matter little or no thought heretofore. Now, however, the insurance fraternities of the land have taken the matter up, and it is only a question of time in the opinion of the best informed before a bureau will be established by the companies with the direct purpose of educating the public generally along this line.

Suit has been filed in the Superior Court at San Francisco by the Policyholders' Adjustment Company against the **American Fire of Philadelphia** for $212,305, together with interest alleged to be due since September 15, 1906, the total amount being over $240,000. The complaint covers over 178 typewritten pages, embracing fifty-nine counts, being the number of claims assigned by the American's policyholders to the Policyholders' Adjustment Company for collection. The suit grows out of the San Francisco conflagration, and charges the defendant with fraudulent misrepresentation and concealment of its assets from its creditors.

One of the matters recommended by President H. M. Smith, of Terre Haute, in his address before the annual meeting at Indianapolis this week of the **Indiana Association of Local Fire Insurance Agents** was the advocacy of the passage of a **fire marshal law.** He also recommended that an effort be made to bring into the association all the agents in individual towns instead of scattering membership efforts promiscuously about the State. The passage of an anti-rebate law applying to the fire insurance business was advocated by Thomas E. Gallagher, manager of the Western branch of the Ætna of Hartford.

The **Metropolitan Life** has policies in force in every part of the habitable globe. Last year its premium collections came from policyholders in every State and Territory of the United States, and also from the Argentine Republic, Australia, Austria, Belgium, Bermuda, Brazil, Canada, Cape Colony, Chili, China, Cuba, England, France, Germany Hawaii, Honduras, Hungary, Ireland, Italy, Jamaica, Mexico, Natal, Africa; Newfoundland, New Zealand, Norway, Panama, Porto Rico, Russia, Samoa, Scotland, Switzerland, the Philippines, Transvaal, Africa; Turk's Island, Wales.

At the annual meeting of the **Minnesota and North Dakota Fire Underwriters' Association** held at Lake Osakis, Minn., this week L. F. Daniel, of the Queen, was elected president; W. J. Haggarty, Fire Association, vice president; W. M. Higley, Hanover, treasurer, and George A. Mowry, German-American, and W. O. Chamberlin, Commercial Union, on the executive committee. Walter I. Fisher, who had been secretary for fourteen years, but retired because of the abolition of rating as a board function, was presented with a diamond pin.

The directors of the **Sun insurance company of London** have made the following report in the transactions of the fire department of the company in 1907:

The premiums received, less reinsurances, amounted to £1,477,643, being an increase of £6,029 as compared with those of the preceding year. The

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losses paid and outstanding amounted to £722,114, being at the rate of 48.87 per cent. on the premiums received. The expenses of management (including commission to agents and working charges of all kinds) amounted to £531,181, being at the rate of 35.95 per cent. After providing for the usual reserve of 40 per cent. of the premiums to cover liabilities under current policies, there is a credit balance of £317,982, which has been transferred to the profit and loss account.

The Attorney General of **Alabama,** Alex. M. Garber, has rendered an opinion to Insurance Commissioner Julian which settles it definitely that insurance companies on whose **premium income** the **taxes** had been increased by the last Legislature were not liable for such an increase for the collections during 1906. The opinion holds that the law should not be construed as retroactive. The tax on life insurance premiums was raised from 1 to 2 per cent., and on fire insurance premiums from 1 to 1½ per cent. by the bill approved March 4, 1907.

The resignation of S. P. Lockwood as Oregon general agent for the Northwestern Mutual Life, to become vice president and general manager of the **Columbia Life and Trust of Portland,** is of interest because Mr. Lockwood had been with the former company eighteen years, and succeeded his father, who had been with it as manager thirty-eight years. It is understood that the entire Oregon agency force of the Northwestern Mutual will go with Mr. Lockwod to his new connection, owing to the higher first year commissions paid.

The salvage on the grain in the Duluth elevator is being handled for the account of the insurance companies by the **Brooks Elevator Company of Minneapolis.** It is expected that the salvage will be materially larger than was at first thought, as all the grain bins were opened when it became apparent that the structure could not be saved. This let the grain down onto the floor in a compact mass, where it was much less liable to damage by fire and water than if it had been attacked while in the bins.

The **Old Line Life insurance company** of America has been organized with headquarters in Milwaukee, with a capital stock of $1,000,000. The company will not undertake to begin business before the entire capital is sold and paid for. All speculative features for writing insurance will be tabooed, and only non-participating business on level premium rates will be written. The promoters are Wisconsin men, and Rupert F. Fry, the manager for the organizers, is an experienced insurance man as well.

The announcement is made by the Washington Life insurance company that Mr. **L. Walter Sammis** has been appointed its Chicago manager in succession to E. A. Davis, whose service as such has ceased. Mr. Sammis will have charge of the entire State of Ilinois. Well known in this community as the former insurance editor of the New York *Commercial,* he may be expected to take his proved energy and executive qualities into his new field with satisfaction to his company.

At a recent meeting of the directors of the **Tennessee Life** of Nashville officers were elected as follows: Dr. J. C. Franklin, president; R. A. Henry, first vice president; W. E. Nelson, second vice president and secretary; H. L. Fox, treasurer; J. D. Means, assistant secretary; Dr. J. M. Coyle, medical director, and J. H. Zarecor, general counsel. The usual deposit of $100,000 required by the Tennessee law will be made in a few days, after which the company will begin writing policies.

The **Eastern Life insurance company** of New York city, which was started during 1907 by John S. Hanson, insurance journalist and editor of the *Insurance Observer,* with a $100,000 capital and $50,000 surplus, has given up the ghost. It will reinsure its risks and liquidate. The company has confined itself largely to monthly premium business. Its statement on January 1 last showed 524 policies in force for $159,312, while its admitted assets were $138,215, and liabilities $1,973.

The plan of reorganizing the **Board of Fire Underwriters of the District of Columbia** has been abandoned for the present, and all rates and rules have been suspended and the stamping office discontinued. An official letter has been sent to the members of the board, signed by the president and secretary, stating these facts, and that the property of the board will be placed in storage. An open rate war is threatened.

At the public school disaster at Collinwood, a suburb of Cleveland, Ohio, March 4, 166 children and two teachers were killed or burned to death. The Metropolitan Life paid **claims uuder forty-two policies** for $3,647.75 on the lives of thirty-six of these children, ranging in age from six to fifteen years. The claims were paid immediately after the bodies of the unfortunates had been taken from the ruins.

The business of the late George A. Stanton, conducted for a number of years by the firm of George A. Stanton & Co., of 45 Cedar street, New York, will hereafter be carried on by the new firm of **Edward E. Hall & Co.** Both Mr. Hall and his associates have been connected with the Stanton firm for a number of years, and some since it was started.

Two Toledo, Ohio, **newspaper men** who have been for several years connected with the *Blade* of that city have resigned to **enter the life insurance business.** They are F. L. Dustman, managing editor, and C. Locke Curtis, editorial writer, who have been appointed managers of the Ætna Life of Hartford for Toledo and northwestern Ohio.

The **Southern Stock Fire and the Southern Underwriters** of Greensboro, N. C., are retiring from Arkansas and Mississippi, reinsuring their business there with the German-American, the business being transferred as of July 15. The North Carolina companies are concentrating their efforts in their own and adjacent States.

The **licenses** of the Piedmont Mutual Fire of Spartanburg, and the Palmetto Mutual Fire insurance company of the same place, have been **revoked** by Insurance Commissioner McMaster, of South Carolina. The companies, he claims, are not satisfactorily conducted, and do not afford the required protection to policyholders.

The **American Association of Mutual Insurance Companies** (fire) will hold its annual convention at Des Moines, Ia., August 11 to 14 inclusive, and a large attendance of mutual company underwriters from all parts of the country is expected.

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Personal.

AGENCY APPOINTMENTS.

Cosmopolitan Fire of New York: David H. Stone, special agent for New Jersey and Pennsylvania, with headquarters at Philadelphia.

Equitable Life: James H. Dewson, of Portland, general agent for Oregon.

Insurance Company of North America: Edwin W. Raynolds, special agent in Ohio.

New England Fire: Johnson & Cotnam, of Little Rock, general agents for Arkansas and Oklahoma.

Pacific Mutual Life: Sylvester Steger, general agent for the life department at Columbus, Ohio.

Philadelphia Casualty: Davis, Hinig & Co., of Cleveland, agents for Cuyahoga County, Ohio.

Mr. William T. Gilbert, for twelve years a director and chief counsel of the Provident Savings Life Assurance Society, who died from a stroke of paralysis on July 3 at the Hotel Savoy, London, was buried Tuesday of this week. The funeral was held at the Church of the Incarnation, New York city, and while it was going on the offices of the Provident Savings Life were closed. Mr. Gilbert was the director allied with the banking interests of the board of directors, whose resignation and subsequent reconsideration of his withdrawal plunged the banking and Coyle factions among the directors into a protracted legal fight which is not yet settled. Mr. Gilbert was born in Brooklyn in 1857, and was a classmate at Yale of William H. Taft.

Mr. Alexander A. Bullitt, of the prominent Louisville insurance firm of Bullitt Brothers, died in that city July 15 from Bright's disease, aged sixty-two years. Twenty-five years ago he became engaged in the insurance business with Thomas C. Timberlake, and for many years the two were associated together. Later they dissolved partnership and the firm of Bullitt Brothers formed. For the last six years, however, Mr. Bullitt had carried on the business of the firm by himself, the brothers having withdrawn.

Mr. Charles S. King, of Fort Wayne, Ind., financial agent for the Prudential in northern Indiana, was killed while automobiling on July 18 by being struck by a fast express train at a grade crossing. His wife, two young daughters, his chauffeur and a girl guest were also killed at the same time. Mr. King represented Wabash County in the Indiana Legislature in 1898.

Mr. S. F. Nininger, of the Southern department office of the Queen, has been appointed special agent to assist Special Agent Ernest B. Dewey, in Virginia, West Virginia and North Carolina, and will enter upon his new duties at an early day. Mr. Nininger has been in the Atlanta office of the Queen for several years.

Mr. John F. Ewens, for many years the Maryland special agent of the Northern of London, died at Atlantic City, N. J., July 9, after a short illness. He was a very efficient representative of the company and held in high esteem by Manager Babb.

Mr. G. H. Brown, executive agent and adjuster in the credit insurance department of the London Guarantee and Accident in Chicago, has been appointed general adjuster of the credit branch of the Philadelphia Casualty at the home office.

Mr. Orrin A. Wing, liability adjuster for the Travelers at the Atlanta office, died from typhoid fever July 10 at Lowell, Mass. He was a graduate of Yale, but had resided recently at Atlanta, where he had a wide circle of friends.

Mr. Charles M. Jerome, of Atlanta, Ga., has been named as assistant to Dan B. Harris, whose appointment as Southern department manager for the Aachen & Munich and Security of New Haven was announced last week.

Mr. Leonard H. Gerrish, a junior member of the Portland, Me., agency firm of Norton, Hall & Webster, died at Portland July 14, from the effects of an operation for appendicits.

Mr. Martin G. Monasmith, of Lakewood, Ohio, and a well known insurance agent, died July 16 at the Lakewood Hospital of heart failure, aged sixty-six years.

Mr. Charles H. Hollister, a former special agent of the Ætna in eastern New York, died July 3 at Berlin, Conn., aged fifty-two years, from consumption.

Mr. J. Irving Riddle, Indiana State agent of the Phenix of Brooklyn since 1874, died at the Claypool Hotel, Indianapolis, July 22, aged sixty-one years.

Mr. B. B. Weed has resigned as special agent for the London and Lancashire and Orient in the Northwest to enter a local agency at St. Paul, Minn.

Mr. B. F. Collins has resigned as Missouri State agent for the Royal.

Casualty and Surety Insurance.

Unusual accidents of the week are as follows: A two year old child rolled off a bed with a toothbrush in her mouth, and the brush was driven through the throat, the bristles severing an artery leading to the brain, thereby causing almost instant death; sleeping on the grass at the rear of his estate, a Pennsylvania man rolled down the cliff back of his property and had his head crushed; an animal tamer at Bostock's show at Coney Island received fatal injuries when a tiger attacked him and crunched his arm; sixteen fire insurance patrol men of Chicago came near death by drowning in endeavoring to save property in a building which had been flooded to put out the fire; while rowing across the Susquehanna River at Harrisburg, Pa., in a steel skiff a young man was struck by lightning and instantly killed; in diving into the Delaware and Raritan Canal at Trenton a man struck a rock with his foot and injured it so badly as to necessitate amputation; a boy was seriously injured when the tailboard of his father's wagon fell and struck him on the head; an eleven year boy had half of his foot cut off while playing in his bare feet around a lawn mower; mistaking his bride of a few weeks for a burglar a Pennsylvania man shot her with probably fatal effect; a sixteen year old boy of Binghamton, N. Y., died from injuries received while playing baseball—a batted ball struck him in the head; a spark caused by a nail in the shoe of a woman who visited a powder factory to carry her husband's lunch, set fire to the powder, and she was burned to death; as a result of a practical joke a man who drank out of a cup to which had been attached an electric light wire was instantly killed; in attempting to cross a soda ash dump when his legs were wet from swimming a boy was terribly burned; a two year old child died from injuries received from falling into a tub of boiling water; confused by his first train ride in ten years an aged man leaped from a moving express and was killed; fright at discovering a blood spot on her waist caused the instant death of a New York woman who had been merely pricked by a bread knife in careless hands; a California man sustained a fracture of the wrist when his horse, which he was leading from the rear of a wagon, stumbled and jerked him from the vehicle; a New York man was fatally injured on a Sandy Hook boat when the wind blew shut a door whose sharp edge crushed in his face; a father and his son were drowned in the first trial of a canoe which the older man had made himself; an engineer and fireman were killed by the explosion of the boiler of their engine; the engineer of a power plant was instantly killed by being struck by a bursting flywheel; a contractor was killed by the caving in of a partially constructed concrete wall he was erecting; a two year old child who had already received athletic training from her father fell from a fire escape on the fifth floor of a building and saved herself from death by grasping the railing as she passed the third floor; in trying to keep a friend from being stabbed a peace maker was badly injured; fearing that a passing freight train would strike the carriage in which they were riding two boys jumped out just in time to be struck and killed by an express on another track.

The **liability** of an **automobile** owner for damages for injuries received by a pedestrian who was run down by the machine when it was in charge of his chauffeur, the owner having consented to his borrowing it for a pleasure jaunt, has not yet been definitely settled, and the Appellate Division of the New York Supreme Court was divided three to two on the question. The lower court found the owner responsible for the chauffeur's acts, and in this Justices Houghton and McLaughlin concurred. The majority opinion filed by Justice Clarke, and concurred in by Justices Ingraham and Scott, held the reverse to be the case, and ordered a new trial. An appeal will be taken to the higher court. The case was that of George Cunningham, who sued Barton S. Castle because on September 19, 1904, the latter's Mercedes car, driven by Harry Bates, ran him down in Central Park West. He gained a verdict after a jury trial, and Castle appealed. In the majority opinion Justice Clarke calls attention to the fact that if an employee went shooting with his master's gun and killed a man, the master could not be held responsible or liable for the death. He then says:

From the foregoing cases we may deduce the following rules as thoroughly established: First, that a master is responsible for the negligence of his servant when engaged about the master's business, and within the scope of his employment. Second, that a master is not responsible for the negligence of his general servant if at the time of the negligence he has become

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ad hoc the servant of another, and engaged in the business of that other and under his direction and control. Third, that the master is not responsible for the negligence of his general servant if the negligent act was committed by the servant not in the prosecution of the master's business, but in the course of some private enterprise of his own. Fourth, that even if in the prosecution of that private enterprise the servant uses the instrumentalities of the master for his own purposes, without the knowledge and consent of the master, the master is not responsible.

The outcome of the case will be eagerly watched by the owners of automobiles and companies writing automobile liability insurance. On the settlement of the case will also hinge the great question for chauffeurs whether they can take their master's machine out to give their friends a ride. If owners have to assume the responsibility for cases where injuries were inflicted by the auto when not on their own business, but because it was their machine and driven by their operator, they will doubtless be more careful about letting the machine go out, and such being the case the companies writing automobile liability insurance should profit.

The new form of **automobile garage liability policy** issued by the **Travelers** of Hartford contains a number of interesting new features. Heretofore some consideration has been given to the frontage and area of a garage in determining the rate for this form of policy. In the revised form this is eliminated. The rate is determined upon the consideration of the total annual wages and other compensation of employees, and the estimated total annual amount received by the assured from the renting of automobiles, the carriage of passengers thereon for an actual consideration, or the livery use therof. In this form, as in the employers' liability form, the assured is covered for accidents caused by officers of the corporation or members of the firm who are not included in the payroll audit. The policy also covers the station hazard and the hazards of demonstrating, testing and delivering. Forms C and E, the contractors' form of employers' and public liability policies respectively, are also ready for the market, and follow along lines similar to those of the general employers' liability and public liability forms reviewed in these columns two weeks ago, with variations, however, to make them specially adaptable for the needs of contractors.

The United States Circuit Court of Appeals in Providence, R. I., has handed down a decision sustaining that of the lower court in finding for the **Fidelity and Casualty** of New York in its suit to recover from William Gilbane & Brother, building contractors of Providence, additional premiums of $6,351, claimed by the company to be due to it as shown by an audit of the building firm's books. These did not show details as to wages paid to laborers employed as masons and carpenters' helpers, and the auditor apportioned the wage expenditure for laborers to the best of his judgment. In the absence of any evidence to show the apportionment incorrect, it was allowed by the court. The court also ruled against the claim made by the firm's counsel that it had no intention to insure against liability for accidents in connection with certain classes of work not specified in the policies. The court held that the evidence showed prima facie substantially all the entries on the books to relate to insured occupations, and that it was incumbent on the firm if it desired to show that it had not kept the account as required by the contract to point out such matters specifically, which it had not done.

Referring to the **benefits** accruing from the extension of the practice of requiring **corporate surety** a Nebraska judge wrote as follows in part to an agent of the United States Fidelity and Guaranty:

My preference in this matter is, I think, founded upon the most substantial of reasons, particularly where the funds to be conserved are in the hands of guardians whose trust endures, in many instances, for long terms of years and whose bonds are seldom renewed. One of the chief duties of a probate judge is to see that bonds are kept good. The importance of this function cannot be overestimated. In every county of considerable population there are many thousands of dollars held in trust for the insane and incompetent, and the guardianship created today may last fifty years if both guardian and ward are long lived. In the vaults of almost all county judges are many bonds absolutely worthless on account of the death or removal of the obligators. There should be an ironclad system for the purpose of securing absolute regularity in the filing of reports. In the latter effort an official is enormously aided by having his guardianship and other bonds furnished by reliable bonding companies. The local agent for the security company notifies the guardian that his bond has expired, and keeps punching him up until he reports and secures a renewal. If the guardian or administrator complains and objects to an annual report and strict inspection of his bond remove him and appoint in his stead an officer of the court who will obey its mandates.

The *Insurance Spectator* of London foresees a new kind of insurance coming—that against **accidents to airships** and air passengers. It says:

The reign of the airship is limitless. Oceans can only be navigated from coast line to coast line; but to the circumambient air there is no coast line; hence if man achieves the conquest of the air he can reign supreme over the lower world. Imagine an aerial man-of-war (for "Zeppelin No. 4" can carry guns) hovering over fleet or army, dropping high explosives from the clouds! The navy of England must drop her proud title of "First Line of Defense!" The aerial, not the aqueous, navy must assume the palm, for England must arm with airships. Imagination staggers at the possibilities both for national offense and defense opened up by Count Zeppelin's triumph. The question has also its civil bearing. Airships will now traverse the atmosphere of the Atlantic. We shall have the "Aerial Royal Mail Passenger Service Between London and New York"; or the "Atlantic Aerial Rapid Transit Service," etc. There will doubtless be a host of new insurance companies coming forward to undertake the risks of ardent navigators of the blue. We wonder what the premiums per passage per person will be! The King affirms that two of the safest places in the world are to be found in a London hansom and on the deck of a Cunard liner. Perhaps risk may yet be reduced to such a minimum in aerial flight that a passenger per "Flying Express 'Meteor'" will not dream of insurance at all! Time's womb is at present pregnant with great events.

The **Travelers of Hartford** has recently turned down a proposition from the **International Automobile League** whereby an officer of the league was to act as an agent for the Travelers and write the insurance of its members at a rebate similar to the plan by which the Automobile Club of America arranged this spring for writing its members' automobile insurance through the medium of the club. The latter plan gave brokers in New York much trouble and lost some considerable business, while the good to the companies was small, since the club merely absorbed the brokers' commissions and scattered the business in several companies. Besides turning down the proposition, the Travelers warned the International Automobile League not to make any assertions that it can procure for its members insurance in the Travelers. The policy of protecting the agents which most of the principal insurance companies believe in, and many of them practice faithfully, is one bound to pay in the end, and calculated to give the agency force a feeling of security and fair play.

For the purpose of testing the law of the State of **Indiana** on the **filing of bonds** by officers of banks and trust companies, the **American Surety** of New York has arranged to start suit to obtain a judicial ruling on the attitude of State Auditor Billheimer, whose recent decisions along these lines have been unsatisfactory to many companies writing the business in Indiana. The wish of the official has been complied with by about five companies, but about three times that number are still holding out against the decision of the auditor. The bonds written by the American Surety are understood to be satisfactory to the department except that they provide that the loss shall be discovered and the company notified within six months after the loss has occurred. It is the belief of counsel for the American Surety that as the

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statute provides no specific form of bond, the auditor is exceeding his authority in directing how the bonds shall be drawn and what provisions they may contain.

The American Anti-Accident Association, with headquarters at Sharpsville, Pa., has requested the press of the country to make a **special feature of all accidents** occurring, with the idea that if the attention of people is more directly called to present day dangers they will be more careful, and adequately protect themselves against possible loss from this cause. Such an idea is a good one, and one long ago favored by THE WEEKLY UNDERWRITER, which hereby commends to the public's attention its casualty columns, with special reference to the unusual accident features which have already attracted considerable attention in the press.

The **casualty list** of the **railroads** operating within the limits of **New York city** for the month of June continues to be large. The recent report of the Public Service Commission shows that 3,790 persons were injured, of which number 2,517 were passengers. The persons and vehicles struck by cars were 1,070, and 42 persons were killed. Sixteen had their skulls fractured. and ten had their legs or arms cut off, following an accident. The total number of persons injured for the first six months of the year was 27,823, and the total killed was 218. More than 10,000 passengers were injured between January 1 and June 30.

The third account of J. Hampton Moore as **receiver** for the defunct **City Trust, Safe Deposit and Surety Company** of Philadelphia has been filed, and he hopes, with the aid of some funds yet to be collected, to make this dividend 20 per cent., which would make total dividends of 80 per cent. so far. The third account covers a period of fifteen months, and shows a total sum for distribution of $276,482.09. The first distribution was $719,000, and the second $333,000. The receiverships in New Jersey, New Hampshire and Massachusetts have been wound up in the last fifteen months.

A chess game by wireless telegraph was played at sea June 29-30 between parties on the steamships Caronia and Teutonic while west bound and 30 miles apart. On the part of the Caronia the game was conducted by President Henry D. Lyman, of the American Surety Company, and was gallantly won in thirty-four moves. The chess editor of the New York *Evening Post*, in commending Mr. Lyman's handling of the game throughout, says: "White's play from the thirteenth move could not be improved upon, and is well worth following out in every detail."

The **United States Health and Accident** of Saginaw has secured the services as general superintendent of H. H. Behse, for thirteen years assistant superintendent of the accident, health and physicians' liability departments of the Fidelity and Casualty of New York. Mr. Behse knows the accident business from the beginning, and has been connected with the Fidelity and Casualty for about nineteen years. He will begin his new duties on August 1.

The **United States Fidelity and Guaranty** of Baltimore has appointed Frank T. Gilson superintendent of the contract department to succeed the late Lawrence N. Frederick. Mr. Gilson has been in the service of the company's claim department for about five years, having been assigned to outside contract work.

The **Consolidated Casualty** of Parkersburg, W. Va., has been chartered with an authorized capital of $1,000,000 and a surplus of an equal amount. The sum of $125,000 has been subscribed and $12,500 paid in. Philadelphia interests are behind the company.

A charter has been filed with the Texas Insurance Department for the **Republic Guaranty and Surety Company** of Dallas, having a capital stock of $200,000, of which one-half is paid in.

The **American Bonding** of Baltimore has declared a semi-annual dividend of 5 per cent.

The **Frankfort Accident** has issued a new line of liability policies.

Miscellany.

A History of the Northwestern Mutual Life Insurance Company.

The occasion of the semi-centennial anniversary of the founding of the Northwestern Mutual Life insurance company has produced a handsomely bound and illustrated volume, presenting the history of the company, prepared by Henry F. Tyrrell, of its legal department. It begins with the birth of the company, chartered under another name in the small town of Janesville in February, 1858. But one person survives of the original thirty-six charter members, Hoel H. Camp, a prominent citizen of Milwaukee, now eighty-six years old. The projector of the company was Gen. John C. Johnston, of Janesville, who secured with much difficulty the necessary $200,000 of insurance for organization. So precarious were its first years that on November 21, 1858, the trustees were obliged to ask the extension of a promissory note for $100. By way of contrast it may be mentioned that the company sent a check to the State Treasurer February 29, 1908, for $365,303.61 for taxes for the year 1907, approximately $1,000 a day for the privilege of doing business in Wisconsin alone.

The first issue of policies was made on November 25, 1858, to sixty-nine policyholders, no policy being for more than $5,000 and the aggregate amount being $200,000. Of the sixty-nine original policyholders but two are still living. They are Leverett J. Norton and Joseph W. Griswold, Chicago. The first policy was issued to General Johnston, but it was cancelled March 12, 1859, when, because a majority of the trustees voted to remove the company to Milwaukee, he withdrew from the board and a substitute policy was issued to him for $5,000, with $700 in cash by way of compensation for his services as the organizer.

REMOVAL TO MILWAUKEE.

Of the removal of the company to Milwaukee the historian says:

The official procession that left Janesville the next morning might have been impressive to residents of the city had they realized its import, but it could not have been half so inspiriting as it was to the new president and vice president, to say nothing of the trustees who had accomplished the desired result.

They carried with them not merely the hopes of wondrous accomplishments for the new concern but all of its goods, chattels, books, papers and things, neatly done up in a little black, leather covered trunk, about 30x20x14 inches in size.

That little black trunk was carefully guarded for quite a long time, but in the many after removals and constant demand for space it gradually lost the homage due it, and was finally finished by a vandal hand. Its historical value was swallowed up in commercial progress.

The company has occupied offices in seven different buildings, of which pictures are given in the history.

PAST SIX PRESIDENTS.

The past six presidents of the company, whose likenesses are presented on a page of the history, are a venerable group. Joseph

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A. Sleeper, H. W. Collins, Samuel S. Daggett, Lester Sexton, John H. Van Dyke and Henry L. Palmer. Thirty-seven men have been in the employ of the company for over a quarter of a century. These range in importance from retired President Henry L. Palmer to office employees.

The historian writes of the years of the great industrial panic in the United States:

No five years in the history of the Northwestern Mutual Life insurance company were more important than those included between 1870 and 1875; indeed, the historian who views the whole experience of the company with something more than mere passing interest justifies himself in writing that this half decade was the crucial period in the life of the organization.

If one were writing an analytical history of life insurance he would set down the period from 1876 to 1880, inclusive, as one of general depression, with recuperation toward the end. As to the Northwestern, it can only be conjectured that its business was affected by the prevailing dullness, notwithstanding the fact that the records disclose a continuing increase in results.

In the '80s a progressive era is described and the '90s are designated as the decade of remarkable growth.

The chapter on the first years of the twentieth century is entitled "A Period of Extremes." The chapter opens with this comment:

STORM AND STRESS.

The period from 1901 to the year which marks the semi-centennial anniversary of the organization of the company was one of extremes. Half that time life insurance sailed tranquilly on the sea of prosperity. Both the technical and practical sides had been brought to approximate perfection, and the prospects were bright for an era of steady progress. Then came a storm. In the East black clouds arose and broke into a torrent of investigation and legislation that threatened, for a time, the usefulness if not the very existence of companies. The gale was finally weathered and life insurance was saved, and the Northwestern, despite the general public prejudice, and the disquietude of the public mind, increased its business to a remarkable extent.

Long extracts are given from the report of S. H. Wolfe, actuarial examiner for the Wisconsin Insurance Department, and from the comment of Insurance Commissioner Zeno M. Host on the report.

The history of the recent investigations and enactments by the Wisconsin Legislature is a brief relation of events without other comment than: "The time to write an impartial and accurate narrative of these events has not arrived."

PREPARED TO COMPLY WITH THE LAWS.

The historian continues:

January 1, 1908, found the company preparing to comply with the new Wisconsin laws, while most of the foreign companies were preparing to withdraw from the State. It was a unique position. The Northwestern did not withdraw; and that it might not be thought it would embrace the situation to its profit H. F. Norris, superintendent of agencies, sent the company's agents notice to use every reasonable effort to induce policyholders in withdrawing companies to retain their policies.

Program of Proceedings at the Annual Meeting of the National Association of Local Fire Insurance Agents to Be Held at St. Paul, Minn., August 11, 12 and 13.

The following will be the program of proceedings at the annual convention of the National Association of Local Fire Insurance Agents, to be held at St. Paul, Minn., August 11, 12 and 13 proximo:

GOVERNOR'S DAY.

Tuesday Morning, August 11, 10:30.

"Key of the City," Mayor D. W. Lawler, of St. Paul.

"Welcome of the State to Fire Insurance," Governor John A. Johnson, of Minnesota.

"Welcome of the Northwest," F. H. Wagner, president, Minnesota Association of Local Fire Insurance Agents, and response.

Roll call by States.

Reports—President F. W. Offenhauser, Texarkana. Executive committee, James P. Thomson, chairman, Minneapolis.

Appointments of committees.

Adjournment.

Tuesday Afternoon, 2 o'Clock.

Reports—Legislative committee, George D. Markham, St. Louis, chairman; grievance committee, J. H. Southgate, Durham, N. C., chairman; organization committee, Frank R. Leib, Harrisburg, Pa., chairman; cotton conference committee, Edward Yerger, Jackson, Miss., chairman.

Open Debate—Attitude of the National Association Toward Agents' Compensation.

"The Spirit of the South," Walker Taylor, Wilmington, N. C.

"Fair Compensation," Allan Kennedy, Fort Smith, Ark.

"The Improved Risk; a Problem for the Local Agent," Henry L. Phillips, manager Factory Insurance Association, Hartford, Conn. Discussion.

Report of treasurer, W. H. Mandeville, Olean, N. Y.

Adjournment.

ST. PAUL'S DAY.

Wednesday Morning, August 12, 10 o'Clock.

Open Debate—Attitude of National Association Toward Local Boards and Local Practices.

Special Report—Incorporated Agencies. Discussion.

"The Business Man and Fire Insurance Agents," D. S. Sawyer, St. Paul, representing the National Association of Credit Men.

Open Debate—Standards of Qualification for Agency Appointment (experience, examinations, license fee).

Special Report—Uniform Blanks, C. F. Hildreth, Freeport, Ill., chairman.

Adjournment.

Wednesday Afternoon, 2 o'Clock.

"Rating Bureaus," C. H. Patton, manager, Cleveland (Ohio) Inspection Bureau. Discussion.

Open Debates—Attitude of the National Association Toward Non-Co-operating Companies (companies which have been dropped from the co-operating list).

Toward Reduced Representation (Dual, Multiple, Sideline and Excess Appointments).

Special Report—Trust Lines.

Joint Conference Committee, C. H. Woodworth, Buffalo, chairman. Discussion.

Adjournment.

MINNEAPOLIS DAY.

Thursday Morning, August 13, 10 o'Clock.

Report of Committee on Resolutions.

"The Company and Local Agents' Associations," A. W. Perry, secretary, St. Paul Fire and Marine.

"Hands Across the Line," S. C. Young, president, Ontario Local Fire Insurance Agents' Association.

Open Debate—Needs of National Association and Building Up of Future Membership.

Report of committee on nominations.

Place of Next Meeting—Invitations to be referred to the executive committee.

Adjournment.

The Gentleman in Life Insurance.

Statement adopted by the Georgia Association of Life Insurers in the interest of good morals:

Rebating—To allow any applicant for insurance any part of the premium for such insurance, or a rebate, directly or indirectly, is deemed a gross violation of sound business methods, demoralizing in its effects and extremely reprehensible.

Circularizing—The issuing or circulating of either written or printed matter, by any member of this association, or by any agent employed by such member, of a character calculated to injure any regular ("Old Line") life insurance company, by misrepresenting its financial condition, or its plans, or in other ways casting reflection upon such company, or by use of any unfair, untruthful, deceptive or misleading literature, shall be considered a violation of propriety and good fellowship.

Competition—When an application for insurance has been placed in good faith with an agent or solicitor of any company represented in this association, and has been duly signed by the applicant and examination made, all competition should cease.

Twisting—That is inducing a person insured in any company represented in this association to surrender or lapse a policy for the purpose of taking a policy with the agent so inducing, is to be condemned as an unfair and reprehensible transaction, and as such is to be avoided.

Stealing Agents—No member of the association should employ any agent or person already in the employ of, or under contract with, another member of this association, nor so long as the agent or person is indebted to a member for any ad-

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vances made on account of commissions to be paid on business secured, or to be secured by him, or for premiums collected or withheld or appropriated by such agent or person, or for any act of dishonesty; further, that where an agent or other employee, under contract, violates his contract, and breaks faith with a member of this association, said member should at once notify the secretary of the association, who shall promptly warn all members, and such information and notice should be held in strict confidence by the members of this association.

The Medical Examiner in Life Insurance—Paper by President Taylor, of the Connecticut Mutual Life Insurance Company.

"What is his legal relation to the company he represents; his legal duties under his commission as an examiner in the field?" asks President John M. Taylor, of the Connecticut Mutual Life, in an essay which has just appeared in print. The following are extracts therefrom:

These are questions of interest and importance, and the answers to them, as defined in the decisions of the courts and various statutes, should be of interest and value to the companies and their medical representatives.

No man in the serious business of life underwriting fills a more responsible position than the medical appointee equipped for his work, doing it without fear or favor, and never sacrificing his conscience, his professional judgment or his independence to serve any favoritism or experiment or expedient. He has been justly called "a sentinel at the gate."

A company's fundamental assumptions may be conservative and safe, its theories of management may be correct, its assets may be of the highest order of selection, but it is certain of ultimate disaster if it be served by a corps of incompetent or ignorant or unscrupulous examiners.

In general, it is the single and simple office of the medical examiner to recommend to the company the lives that may safely be insured; the risks, in the light of his experience, it may safely take; and specifically to determine the physical character and condition of the applicant; and to give the company, in his report, the result of his professional judgment.

New factors, however, have entered into the performance of these duties. They have been necessitated by competition; by new judicial definitions; by new legislative requirements; by the transfer of questions from the application to the medical report accompanied by warranties of the statements to the examiner; and lastly by radical changes in the terms and conditions of policies.

Thus the medical representative has been forced from an advisory function, from a simple refereeship as to a company's risks, into a clear corporate relation to the underwriting of policies; his acts have become those of his principal, and the company is bound by them within the scope of his authority.

THE FORMER PRECEDENTS.

In the earlier history of life insurance the companies, both foreign and domestic, undertook to make the proposers, solicitors, examiners and referees, by the terms of the insurance, the agents of the parties who were insured. This device was sustained in the courts until, owing to the many controversies that arose, and the hardships that resulted, legislation intervened to define agency relations, and new standards of construction were established.

"Many insurance companies provided, through their applications and policies, that the agent through whom the application was procured should be the agent of the assured. Under this provision they were able to avail themselves, in many cases of loss, of a defense which would not have been available if the solicitor had been regarded as their agent."

It is now the settled law in this behalf that sound public policy prohibits a company from stipulating for immunity from the consequences of its own negligence or, what is the same thing, the negligence of its agents.

The earlier and later definitions of the examiner's office offer an instructive contrast.

SOME OF THE EARLIER DEFINITIONS.

The object of the physical examination of a person proposing to insure his life in an insurance company by a competent physician is to ascertain whether he is laboring under, or is subject to, any diseases or defects which may have a tendency to shorten life.

No other case has been found in which it has even been suggested that a medical examiner has any other duty to perform than that of ascertaining the physical condition of the applicant.

None of the text writers on the subject mention any other duty of the examining physician than that of ascertaining the health of the applicant.

The companies retain their own medical advisers for the purpose of making a careful and scientific examination of all applicants for life insurance. The province of the medical examiner is restricted to the duty of ascertaining the sanitary condition of the applicant for insurance.

There is a marked distinction between a fraudulent representation made to an insurer and a statement made to a medical examiner, whose duties are expressly confined to the examination of the physical condition of the applicant.

The duty of a medical examiner is simply to ascertain and report to the company the health of the applicant by filling up the blank report and obeying the instructions furnished him.

WARRANTIES AND REPRESENTATIONS.

The change in the examiner's relations is chiefly due to the competition of the companies. Some of them to lighten the work of the agents and solicitors have transposed nearly all the questions to be answered by the applicant to the medical examination and report, thus greatly increasing not only the labor but the direct responsibility of the medical appointee, and the answers are made warranties by the terms of the contracts.

But the courts in their decisions have construed these stipulations to be representations and not warranties, and legislation to the same end has intervened, and the hard and fast rule has been established that no misrepresentation shall avoid a policy unless it be fraudulent or material to the risk.

The exact distinction is this—a warranty defines the precise limits of the obligation which the insurer undertakes to assume. No liability can arise except within those lmits. A representation must be only substantially performed in all matters material to the risk; that is, in all matters which are of the essence of the contract.

The basis of the contract is thereby changed from the warranty upon which it theoretically rests to the ground of materiality, and a warranty in terms will be construed to apply only to questions that are reasonable; to answers that are substantially true; to facts that are material to the risk; to information or knowledge which the applicant has or may be presumed to have.

It is therefore of vital importance in the protection of the interests of the company he represents that the examiner shall see to it that the answers to the many questions which have been covered in the medical blank and report should be full, accurate and true, even in minor incidents: first, to avoid the possibility of litigation at the maturity of the contract; and second, to leave open to the company its proper and legitimate defenses if the representations made are found to be fraudulent within the letter of the law. * *

President Taylor proceeds to give illustrative warranties from current contracts, and quotes at length standard authorities on the examiner's relative responsibility as a company's agent.

CONCLUSIONS.

In the light of these authorities and decisions as to the medical examiner's relation and his due recognition of it in the performance of his duties, certain deductions follow as matters of fact and matters of law:

First—The professional duty of the examiner is this—to truly ascertain and report to the company, in accordance with his instructions, the exact condition of the applicant for insurance, whether he is laboring under, or subject to, or exposed to any disease, defect or infirmity which may have a present or ultimate tendency to shorten his life, and to give the company the absolute result of his professional skill, judgment and experience.

Second—In the performance of his duties—manifold as they are—the present law declares the medical examiner to be the company's agent for specific and limited purposes, and that is his true corporate relation.

The physician should not be a passive or neutral factor in these vital matters. He may with reason insist on clear and explicit instructions; on freedom from suggestion or dictation from any source, and on exemption as the keeper of the applicant's conscience, or the tutor of his morals—and these things will follow so long as he gives to the company he represents the knowledge, the skill, the character it should demand and deserve.

A conscientious examiner has thus expressed his conception of his duty and his service:

"When carefully reviewing in my mind a case that I have before me, weighing evidence of the family history, the personal history and the probability whether they are true or not or

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whether I am being deceived, the facts or suppositions arising from my own examination, with a calm deliberation as to the real value of that particular life, I often seem to hear the Spirit of the Office give a gentle rap on the desk at my side whispering: 'Come, what is it to be—five years, ten years? Give it a name. We don't want any "ifs."'" (*Medical Examiner*, December, 1899, page 355.)

To the company, to the agent, to the medical examiner, and the applicant for insurance these definitions and cardinal rules of construction carry great significance and demand strict observance. They abide in the contracts of insurance both in their inception and their performance despite all clever limitations, and "the legal question must always be whether there was, under all the circumstances at the time the policy was underwritten a fair statement or a concealment, fraudulent if designed, or, though not designed, varying the material object of the policy, and changing the risk understood to be run."

SVEA

Fire and Life Ins. Co., Ltd.

OF GOTHENBURG, SWEDEN

U. S. ASSETS, $1,031,186.52

New York Branch, 29-31 Liberty St., New York

MORRIS L. DUNCAN
United States Manager

Over 60,000 People

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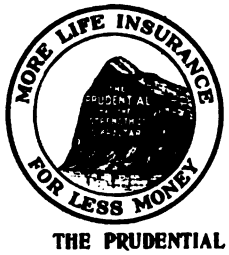

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IN

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EVENING CLASSES

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School of Commerce, Accounts and Finance

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JOSEPH FRENCH JOHNSON, Dean

Western Assurance Company

HEAD OFFICE: TORONTO, CANADA.
INCORPORATED 1851.

Hon. GEO. A. COX, President.
W. R. BROCK, Vice President.
W. B. MEIKLE, General Manager.

UNITED STATES STATEMENT, JANUARY, 1908.

Assets	,313,222.31
Surplus in United States	$2 584,186.52

The Connecticut Mutual Life Insurance Company

Stands alone among the American companies of any note, in having repaid to its members, their beneficiaries and estates, in annuities, endowments, death claims, surrender values and dividends, more than it has received from them in premiums. These are the totals:

Received since organization—1846	$249,356,745.45
Repaid as above noted	253,641,382.54
Excess over amount received	4,284,637.09
Assets December 31, 1907	65,003,271.10
Surplus December 31, 1907	2,326,657.25
Insurance in force December 31, 1907	174,716,005.00

President, JOHN M. TAYLOR.

London Assurance Corporation,

CHARTERED A. D. 1720.

Surplus in United States January 1, 1907, $650,599.91.

CHAS. LYMAN CASE, Manager.
84 William Street. NEW YORK.

GEORGE FRANK SWEENEY

SURETY BONDS

Suite 30, Third Floor, Old Evening Post Bldg.
206 BROADWAY, Corner Fulton Street
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GERMANIA

FIRE INSURANCE COMPANY
NEW YORK.
ORGANIZED 1859.

Cash Capital	$1,000,000.00
Assets	5,185,649.51
Net Surplus	949,260.99

HEAD OFFICE
Cor. William and Cedar Streets.

THE

Union Central

Life Insurance Company of Cincinnati

ESTABLISHED 1867

Has the following unrivaled points of superiority which make its policies easier to sell than those of any other company: Highest rate interest earned, low death rate, low expense rate—resulting in lowest cost to policyholders. Its new 1908 policies are simple in verbiage and most liberal in provisions. THE UNION CENTRAL has no investments in stocks or bonds.

JESSE R. CLARK, President — E. P. MARSHALL, Vice-President

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Insurance Co. of North America,

232 WALNUT STREET, PHILADELPHIA.
FOUNDED 1792.

Assets, January 1, 1907		$10,748,864
LIABILITIES—Reserved for Reinsurance and all other claims	$6,705,870	
Capital Stock	3,000,000	
Surplus over all Liabilities	1,042,994	$10,748,864

Agents in all the principal towns and cities.

CHARLES PLATT, President.
EUGENE L. ELLISON, Vice-President.
BENJAMIN RUSH, Second Vice-President.
GREVILLE E. FRYER, Secretary and Treasurer.
T. HOUARD WRIGHT, Assistant Secretary.
HENRY W. FARNUM, Marine Secretary.
JOHN O. PLATT, Assistant Secretary.

Offices in New York: Fire, 51 William St.; Marine, 63 Wall St.

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Insurance Losses and Claims for Damages amicably and satisfactorily Adjusted. Otherwise resisted, defended at Law or in Equity for Companies by

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WASHINGTON, D. C. COLORADO BLDG.
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INCORPORATED 1799.

Providence Washington Insurance Company,

PROVIDENCE, R. I.

THE LEADING FIRE COMPANY OF THE WORLD

ROYAL INSURANCE COMPANY LIMITED

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LEOPOLD GANS, Vice-Pres. & Gen'l Mgr.

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Home Office: Chicago, 207-209 E. Madison St.

1825. THE 1908.

Pennsylvania Fire Insurance Co.

OF PHILADELPHIA.

Cash Capital	$750,000.00
Reinsurance and all Liabilities	4,096,883.14
Surplus	1,615,283.97
Total January 1, 1908	$6,462,117.11

R. DALE BENSON, Pres.
JOHN L. THOMSON, Vice-Pres.
W. GARDNER CROWELL, Sec.
CHARLES W. MERRILL, Asst. Sec.
HAMPTON L. WARNER, Asst. Sec.
WM. J. DAWSON, Sec. Agency Dtep.

FIREMENS

Insurance Company of Newark, N. J.

ORGANIZED 1855

CAPITAL,	$1,000,000.00
ASSETS,	4,701,068.80
SURPLUS TO POLICYHOLDERS,	3,148,371.45

DANIEL H. DUNHAM, President CHARLES COLYER, Vice-President
A. H. HASSINGER, Secretary

WHITON & MERGES, Agents, . . 73 William Street, New York
LEWIS & FREAR, Agents, . . . 145 Montague Street, Brooklyn
H. W. BEALS, Suburban Agent, . 76 William Street, New York

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ARE EASIEST TO SELL

BECAUSE

Yearly dividends have been increased for the last three years, 1906-7-8, at a rate equalled by no other company.
Cash values guaranteed in the new life and endowment policies, are equalled by few companies, and excelled by none.
Attractive features have been added to standard policy forms.
Liberal terms offered producing agents under the 1908 contracts.

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Second Vice-President
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34 Nassau Street, New York, N. Y.

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OF BROOKLYN, N. Y.

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Liability — Burglary
Boiler
Personal Accident and Health Insurance

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Moses May, . . } *Vice-Presidents*
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Walter J. Moore, }
RS. Keelor, M.D. }

Daniel Stewart, . . *Secretary*
Alfred J. Hodson, . . *Ass't Sec'y*
Warrel S. Pangborn, . *Treasurer*
Hugo Hirsh, . *General Counsel*

North British & Mercantile

INSURANCE COMPANY,

OF LONDON AND EDINBURGH.

Established 1809.

OFFICE:

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SAFETY FUND INSURANCE.

NIAGARA

Fire Insurance Company

OFFICE: 135 & 137 BROADWAY. OF NEW YORK.

NATIONAL LIFE INSURANCE CO.

of the United States of America

CHICAGO

ESTABLISHED 1868

ALBERT M. JOHNSON, President
ROBERT E. SACKETT, Vice-President
CHARLES B. SHEDD, Treasurer
ROBERT D. LAY, Secretary

RECORD OF 1907

Insurance in Force December 31st. -	$50,066,932.77
Gain in Apportioned Surplus in 1907, -	105,734.09
Gain in Assets. - - - - - - - -	1,037,668.19
Excess of Income over Disbursements,	1,093,023.43

CHICAGO'S OLDEST AND STRONGEST COMPANY

Northern Assurance Company,

OF LONDON, ENGLAND.

EASTERN AND SOUTHERN DEPARTMENTS,

38 PINE STREET, NEW YORK.

GEORGE W. BABB, Jr., Manager. T. A. RALSTON, Sub-Manager.

THE Fidelity and Casualty Company,

97-103 CEDAR STREET, NEW YORK CITY.

Assets, $7,537,429.91.

Capital and Surplus, $2,013,400.24.

Losses Paid to January 1, 1908, $26,629,131.90.

This Company grants Insurances as follows:
Bonds of Suretyship for persons in positions of trust.
Fidelity Bonds, Burglary, Plate Glass,
Steam Boiler, Flywheel, Employers',
Public, Teams, Workmen's Collective,
Elevator and General Liability;
Personal Accident, Health
Physicians' Liability and
Bonded Attorneys' List.

OFFICERS:

GEORGE F. SEWARD, President.
ROBERT J. HILLAS, Vice-President and Secretary.
HENRY CROSSLEY, Assistant Secretary.
FRANK E. LAW, Second Assistant Secretary.
GEORGE W. ALLEN, Third Assistant Secretary.

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National Life Insurance Co.

MONTPELIER, VERMONT.

Established in 1850. Operating in 36 States.

JOSEPH A. DE BOER, President. H. M. CUTLER, Treasurer.
JAMES T. PHELPS, Vice-President. A. B. BISBEE, Medical Director.
JAMES B. ESTEE, 2d Vice-President. C. E. MOULTON, Actuary.
OSMAN D. CLARK, Secretary. F. A. HOWLAND, Counsel.

This Company held January 1, 1908, and gained during the past decade:

ASSETS	$40,354,241.29	Gain, 172 per cent
SURPLUS	4,539,688.47	Gain, 149 per cent.
INSURANCE	153,467,472.00	Gain, 100 per cent.

Its life, term and endowment contracts are liberal and attractive.

J. F. MAKLEY, Gen. Mgr., 149 Broadway, New York, N. Y.
J. V. ALEXANDER, Gen. Mgr., 1134-36 Granite Bldg., Rochester, N. Y.
M. H. MULLENNEAUX, Manager, 119 State St., Albany, N. Y.
A. H. GSELLER, Manager, 9 Clinton St., Newark, N. J.

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1. DISEASE 2. ACCIDENT 3. DEATH

THE COLUMBIAN NATIONAL LIFE INSURANCE CO.

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provides all three, as no other company does incorporated under the stringent laws of Massachusetts. Attractive, Non-participating Life Policies. Liberal and Definite Accident and Health Policies. Surplus to Policyholders, over $1,500,000

Men with clear records wanted as District Managers. Save time by sending record and references with first letter to

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INCORPORATED 1851.

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All Policies issued by the Company are subject to the Massachusetts Non Forfeiture Law.

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THEO. L. ALLEN, Sec. ROBT. H. DAVENPORT, Asst. Sec

Agencies in all the principal cities of the United States.

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LIMITED,

OF LONDON.

OFFICE:

Cor. Pine & William Sts., New York.

BRITISH AMERICA ASSURANCE CO., INCORPORATED 1833.

FIRE AND MARINE. Head Office: TORONTO, CANADA.

UNITED STATES BRANCH.

JANUARY 1, 1908

Assets	1,545,432.69
Liabilities	1,063,661.55
Net Surplus	$481,771.19

HON. GEO. A. COX, President. W. R. BROCK, Vice President.
W. B. MEIKLE, General Manager.

Established 1782.

Phoenix Assurance Company, Ltd.,

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A. D. IRVING, JR., Sec.

1860 47th year 1907

HOME LIFE INSURANCE COMPANY

OF NEW YORK.

GEORGE E. IDE, President

ASSETS, $19,009,550.82 LIABILITIES, $17,925,901.84
(Including Dividend-Endowment Fund

Dividend-Endowment Fund (Deferred Dividends)	$1,621,413.00
Net Surplus	1,083,648.98
Insurance in Force	86,113,559.00

"Mr. Hughes failed to bring out a single questionable transaction."
New York Sun, 12-12-05.

THE YEAR 1906 SHOWS LARGEST GAIN OF INSURANCE IN FORCE IN COMPANY'S HISTORY.

[FIRE]

German American Insurance Company New York

STATEMENT JANUARY 1, 1908

CAPITAL
$1,500,000
RESERVED FOR ALL OTHER LIABILITIES
7,592,685
NET SURPLUS
4,415,353
ASSETS
13,508,038

Home Office Building, New York.

SURETY ON BONDS

American Surety Company of New York

100 Broadway, - New York

Capital, $2,500,000

Bonds issued for Employees, Administrators, Guardians, and in Judicial Proceedings.

STATEMENT DECEMBER 31, 1907.

Resources (including Capital, $2,500,000)	$6,365,342.47
Liabilities (including Reserve, $1,126,946.11)	1,746,329.08

HENRY D. LYMAN, *President.* W. S. JOHNSTON, *Vice-President.*

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The Weekly Underwriter:

AN INSURANCE NEWSPAPER.

VOL. LXXIX. NEW YORK, SATURDAY, AUGUST 1, 1908. No. 5.

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Checks and money orders should be made payable to the order of THE WEEKLY UNDERWRITER.

Entered at the New York, N. Y., Post Office as second class matter.

CHARLES A. JENNEY, President and Treasurer. L. ALEXANDER MACK, Secretary.

AN index to the seventy-eighth volume of THE WEEKLY UNDERWRITER, which closed with the issue of June 27, accompanies this week's paper. The index is a very full one, and—as we have said before—our endeavor being to print "all the insurance news worth printing," our subscribers will find it convenient for ready reference to the events that have occurred during the last half year.

LIFE insurance interests in New York will scarcely be expected to regard with favor the proposal of Mr. Hughes that he shall be elected Governor for another term. His unwillingness to consent to the relaxation of the harshness of the insurance laws, however conscientiously entertained, has assumed the form of a fixed resolution, and any relief is hopeless while he continues in office. The voting strength of the life insurance agents throughout the State—that is, the strength of their own vote and of the vote that they can influence—is considerable, and if the opposite party should nominate a tolerable candidate against Mr. Hughes, it would be largely thrown against the latter. It is doubtful if Mr. Hughes would have been elected in 1906 had there been an opposing candidate whom life insurance men could have supported instead of the unspeakable Hearst. The managers of Mr. Hughes' party have doubtless considered this factor in estimating the running qualities of the several persons prominently proposed for the nomination for Governor; at any rate they are reported to be inclined to some other candidate than the present incumbent of the office. While there is a temporary sentiment for him in the newspapers, there is no strong popular demand, and in such a condition the managers are likely to have their way, particularly as the President and Mr. Taft decline to express a desire for the Governor's re-election. Upon the whole, we suspect that there is a better outlook for Speaker Wadsworth, who was a vigorous partisan of Superintendent Kelsey in his controversy with Governor Hughes, and presumably, therefore, well disposed toward fair dealing with the life insurance business.

MUCH has appeared in the daily papers lately about risks written by London Lloyds against the election of William J. Bryan to the Presidency, the rate against it being so low as one chance in nine. The statements are somewhat sensational, but the fact that underwriters at Lloyds are reputed to be willing to take a bet on anything that is offered, provided the odds are sufficiently tempting, lends color to the story that considerable business has been done by brokers in this form of insurance gambling. A more serious feature of the transactions at Lloyds, however, and one which is beginning to create apprehension, is the swelling volume of fire underwriting. It is not as well known in this country as it should be that the only responsibility behind a Lloyds policy not a marine policy is the good faith of the individual who underwrites it. Every member of Lloyds has to make a deposit of £5,000, but this is applicable to marine insurance only, and cannot be touched for any other form of insurance that the member may assume. The extension of the fire business done by these members, or many of them, and the reckless character of much of it, is putting in peril the reputation of the institution, and the marine correspondent of the London *Times* has been telling that paper that "it is to be feared that in the light of recent events the strength of the individual underwriters can no longer be regarded as invulnerable." The point that is of particular interest to American property owners requiring the protection of insurance against fire is that there is no absolute guarantee behind a London Lloyds fire policy, and the insured who buys one is taking a risk which does not exist when he transacts business with a regularly incorporated insurance company with capital at its back and a State certificate of its solvency. Lloyds is not under State supervision here nor at home, and makes no reports to the authorities. But its brokers here get business by cutting rates, and thus securing a large amount of it. We reprint from the London edition of the *Insurance Index* an instructive article exposing the insecurity of a London Lloyds fire policy, which should have a wide circulation among the insured public.

THE scheme of insurance of bank deposits has become a national issue by the adoption in the National Democratic platform of the following plank: "We pledge ourselves to legislation under which the national banks shall be required to establish a guarantee fund for the prompt payment of the depositors of any insolvent national bank under an equitable system which shall be available to all State banking institutions wishing to use it." The Republican candidate for the Presidency has met this proposition in his address of acceptance by denouncing it as "wholly impracticable unless it is to be accomplished by a complete revolution in our banking system, with a supervision so close as practically to create a government bank." The business of insuring the safety of bank deposits for individuals which has been entered upon by guarantee companies to a limited extent would be practically extinguished were the Government to adopt any wholesale system of mutual responsibility by banks for each other's liability to creditors. In this view guarantee companies are interested in the issue in which the two leading parties are taking opposite sides. Putting aside the question of political policies from consideration, it would seem to the underwriter that both an injustice would be perpetrated and a peril established by compel-

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ling the banks by law to contribute a percentage of their funds to a common pool from which the depositors of insolvent banks shall be reimbursed. A tax of one per cent. on total deposits, as is proposed, would take from the banks $60,000,000, or about seven per cent. of their total capital. If this were invested in bonds and heavy failures were to occur occasioned by panic the investments could hardly be turned quickly into cash without seriously aggravating conditions. As for the moral aspect of the question, some views expressed by a speaker at the last convention of the Texas bankers, which we reprinted last month, are so much to the point that we quote them again. The Texas speaker said:

I do not believe that this scheme presents the true and logical way to increase the safety of bank deposits. In my humble judgment the claims made by its advocates are almost entirely fallacious, and I am convinced that its practical operation would ultimately endanger the safety of all bank deposits. There are so many reasons justifying my conviction that it would be impossible in the brief time allotted to me to attempt to discuss them all, so I will confine myself to a very few. The idea of taxing the successful in order to pay the unpaid debts of the unsuccessful, of taxing the thrifty and prudent to pay the debts of the reckless and imprudent, whether they be individuals or corporations, is contrary and odious to the spirit of our institutions. It is paternalism gone wild. It is socialism in its most hideous form, violative of the very fundamental principles on which our whole Government is founded. If a corporation can be taxed to pay the debts of other corporations, it is but a step further to tax an individual to pay the debts of other individuals, and as good reasons can be assigned for one as for the other. Once permit that vicious principle to be woven into our laws, and no man can foresee its evil consequences. I have no doubt whatever that whenever this thing gets into our higher courts, if it ever does, it will receive its quietus, because I believe it is inconsistent with both the letter and spirt of our fundamental laws.

Facts and Opinions.

In consequence of reports that a controlling part of the capital stock of the **Provident Savings Life Assurance Society,** held by the banking interests, had been sold to Western parties. Messrs. Sullivan & Cromwell, counsel for the banks, issued on Thursday evening the following statement:

The published reports of the completion of a sale of the Provident Savings Life Assurance Society's stock held by the banks are altogether premature. A large majority of stock is held by a trustee for the benefit of the several bank and other depositors. Active negotiations have taken place with numerous financial interests which desire to purchase. No sale has yet been consummated, although it is likely that the transaction will be completed within the next two weeks. In making the sale all the parties involved fully realize the desirability of dealing only with purchasers of such standing that their control of the society will be entirely acceptable to the policyholders, as well as the insurance departments. Nothing material is being done without prior consultation with the Superintendent of Insurance of this State. The friction which formerly existed upon the board has been entirely eliminated. The sale, when it takes place, will confer upon the purchasers a large majority of the board of directors and will fully concentrate complete control.

It is learned that the proposed purchasers are the owners or backers of a concern in Louisville, known as the Inter-Southern Life insurance company. They have been represented in the negotiations with the banking interest, which have been going on for some time, by Arthur G. Langham, of Louisville, and it is stated that the purchase money, which is $220,000 for 1,000 shares—four-fifths of the entire issue—has been raised in Cincinnati. Objection on behalf of the policyholders to the transfer of the control of the Provident Savings Life to these parties has been made by Insurance Commissioner Rittenhouse, of Colorado, who telegraphs to the attorneys of the company that he will join in a protest with the insurance commissioners of other States against the transaction. It is announced that the objection is based on the fact that the Inter-Southern Life of Louisville, which, it is understood, will absorb or be absorbed by the New York company, was recently officially examined by S. H. Wolfe, the actuary, who reported adversely upon it, stating that its expenses were excessive and ruinous; that excessive commissions were paid to agents, and that "this condition can result in only one thing, namely, the insolvency of the company." Possibly for the reason of the difficulties raised by the Colorado Commissioner, the close of the negotiations was hanging fire yesterday afternoon. There are other bidders for the 1,000 shares on sale besides those coming from Louisville, one of them being the Columbian National Life of Boston. The stock in question was originally hypothecated by E. R. Thomas and Orlando F. Thomas. It is now held by a trustee for the benefit of the Mechanics and Traders Bank, the Metropolitan Trust Company and the Consolidated National Bank. It is stated that the Provident Savings Life is now in much better financial condition than it has been for several months as a result of the increase by the New York Superintendent of Insurance of the appraised valuation of many of its real estate holdings and other property. It is a matter for regret that its control should be subject to so many changes of an apparently speculative character.

Life insurance soliciting in the Australian Bush is described in the London *Insurance Record* as a pleasant occupation in some respects, but not unattended at certain seasons of the year with hardship and privations. The following account will be of interest to the American solicitor, whose experiences are quite different in detail:

The canvasser in Australia travels in a buggy, and is accompanied by a medical man. He is a welcome guest at every station he arrives at, and given fine weather is fortunate in his choice of a vocation. Perhaps all the residents on the head station are insured, and this is the case more frequently than might be believed. Thereupon he must turn his attention to the out-stations, which may be anything up to 70 or 80 miles distant, and the residents on which may only number three or four at the outside, but a community of three or four is not an inconsiderable one in such a sparsely populated land as this, and the journey is undertaken. Perhaps the out-stations may be drawn blank; well, the locality is not done with yet, for it is the rule to go over one station thoroughly before proceeding elsewhere. There are the shepherds and the boundary riders, who live by themselves, and who are at the extreme edge of the property, but whose exact whereabouts are unknown except on two occasions in each month—when they are at some particular spot to meet the cart which brings them out their fortnightly stock of provisions. Solitude makes men eccentric, to say the least of it, and many of the boundary riders and shepherds are decidedly "queer," but they are good lives otherwise, and so the canvasser tracks them to their lairs. When he has interviewed them this district is done with, and he can truthfully report that he has carefully canvassed Wanangoo (or whatever the name be) station. At one time the insurance canvasser only traveled the bush and the back blocks in the spring and autumn, but today he covers it all the year round. Men who are successful at up country soliciting are said to be far from fortunate if transferred to the work in towns, and once a bush canvasser always one is the rule.

According to the *Scientific American* it would be **impossible to erect a building** in New York **higher than 2,000 feet** because the Building Code specifies that the maximum pressure beneath the footings on a rock bottom, if caisson foundations be used, shall not exceed 15 tons to the square foot, and because the code requires, further, that the steel skeleton shall be 12 inches thick for the last 75 feet of altitude, increasing 4 inches for each 60 feet below. The figures of weights and other calculations for such a tremendous tower, constructed on the general principles of the Singer Building, have been supplied by Mr. O. F. Semsch, chief engineer for Mr. Ernest Flagg, its designer. The building would rise to a height of 150 stories, and its cost would be $60,000,000. Its walls would be 12 inches thick at the top, at the bottom 12 feet, and they would withstand a wind pressure of 30 pounds per square foot all the way up. The Metropolitan Life tower rises 909 feet above the street level. Though a building of more than twice its height would stand firm beneath the accumulated weight, other considerations, in the opinion of the New York *Times*, than the indirect limits enjoined by the Building Code, such as the inevitable blockading of traffic in front,

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and the reluctance of tenants and their clients to ascend the equivalent of ten fifteen-story buildings placed atop each other, would have to be considered by men with $60,000,000 for building purposes to spare.

In the case in the United States Circuit Court, Eastern District of Pennsylvania, of McFadden vs. the Liverpool and London and Globe insurance company for the recovery of a loss by fire on cotton stored at the Red Hook stores at Brooklyn, N. Y., the owners of the **cotton** claimed **indemnity at a higher rate than the market value** at the close of business the day prior to the fire. It was determined by the insurers, with the approval of the New York Board of Fire Underwriters, to test the claim in the endeavor, if possible, to procure from the courts an authoritative ruling upon the questions involved. Judge McPherson has just rendered a decision in this case favorable to the plaintiff, the conclusion of which is as follows.

From these stipulations it will be observed that the court is simply asked to find a particular fact—namely, what was the actual value of the property insured at the time when the loss happened. In accordance with this request, therefore, I find from all the evidence that the loss happened at a later time than 8:55 a. m. on June 8—the fire began at that hour, but the damage to the insured property was done afterward—and that the actual cash value of the cotton lost or damaged was 8.55 cents per pound at the time when the loss or damage occurred. In accordance with the foregoing stipulations the clerk is directed to enter a finding in favor of the plaintiff for $2,851.81, with interest from September 8, 1905, upon which a judgment may be entered in due course.

It is announced that an appeal will be taken by the defendant from this decision.

Suit for an accounting and judgment for $1,500 has been filed in the Superior Court at Indianapolis by Joseph F. Pattison **against the Interstate Life** of that city, who charges that he and others subscribed to a guarantee fund of $100,000 raised by the company to secure policyholders. He charges that this fund has been dissipated by the company's officers. William Fortune and A. C. Ayres are named as subscribers to the fund. It is charged in the complaint that Fortune and Ayres had themselves elected president and general counsel, respectively, and as figureheads were paid salaries which enabled them to recover a large part of what they had subscribed to the fund. Officers Charles A. Sudlow, F. E. Marsh, George Richards and F. B. Davenport, it is charged, were paid exorbitant salaries in spite of the fact that during the last three years the company's earnings have shown a decrease. Secretary F. B. Davenport of the Interstate Life has made a statement that Mr. Pattison never paid any money into the guarantee fund of the Interstate Life, but acquired a contract for $1,000 in the fund in a real estate trade, and has since been persistently endeavoring to force the company to buy this from him at his price, and has been threatening to file suit if this were not done. He denies practically in toto the things charged against the officers.

Touching upon the proposition in the National Democratic platform to tax national banks for a fund **to insure depositors** from losses by insolvent banks, Candidate Taft in his address of acceptance at Cincinnati this week said:

The proposition is to tax the honest and prudent banker to make up for the dishonesty and imprudence of others. No one can foresee the burden which under this system would be imposed upon the sound and conservative bankers of the country by this obligation to make good the losses caused by the reckless, speculative and dishonest men who would be enabled to secure deposits under such a system on the faith of the proposed insurance; as in its present shape the proposal would remove all safeguards against recklessness in banking, and the chief, and, in the end, probably the only benefit would accrue to the speculator, who would be delighted to enter the banking business when it was certain that he could enjoy any profit that would accrue, while the risk would have to be assumed by his honest and hardworking fellow. In short, the proposal is wholly impracticable unless it is to be accompanied by a complete revolution in our banking system, with a supervision so close as practically to create a government bank. If the proposal were adopted exactly as the Democratic platform suggests, it would bring the whole banking system of the country down in ruin, and this proposal is itself an excellent illustration of the fitness for national control of a party which will commit itself to a scheme of this nature without the slightest sense of responsibility for the practical operation of the law proposed.

The **program** of the **Los Angeles meeting of the National Association of Life Underwriters** from Monday, August 18, to Friday, August 21, is as follows:

Monday—Arrival of delegates at Los Angeles, 10 a. m. Meeting of National Association executive committee at convention headquarters, Hotel Alexandria, at 1 p. m.

Tuesday—Business session, Hotel Alexandria, 9 a. m. Depart on special train for Long Beach, 8:30 p. m. Reception and ball at Hotel Virginia. Refreshments.

Wednesday—Business session, Hotel Alexandria, 9 a. m. Luncheon to ladies at City Club, 12:30 p. m. Automobile drive through Los Angeles, 4 p. m.

Thursday—Business session, Hotel Alexandria, 9 a. m.; to continue until finished. Election of officers and selection of next year's convention meeting place. Special train to Long Beach, 3:15 p. m. Naples, boat and gondola ride, Alamitas, Bay City, Sunset, Huntington, Newport and Balboa. Banquet at Hotel Virginia, 8 p. m.

Friday—San Pedro, 9 a. m. San Pedro for Catalina Island, 10 a. m. Luncheon, 1 p. m. Return to Los Angeles, 11 p. m.

Saturday—Automobile ride through orange groves and Pasadena, 9 a. m. Mount Lowe. Refreshments at the summit, among the snowdrifts. Special train for Del Monte and San Francisco over the picturesque Southern Pacific coast line.

The report on **San Francisco fire insurance premiums** for the first six months of 1908 shows a falling off of 18 per cent. as compared with the similar period for last year. This is partly accounted for by the general business depression and by the fact that a number of the business houses which had been located in the frame district, and paying 5 per cent. and higher, are now moving into the new buildings and going back to the usual rates. A number of the companies which were writing most liberally are now more conservative, however, and the business is more generally distributed among the companies. The Liverpool and London and Globe leads this year with premiums of $201,810 for the six months, compared with $260,320 last year. The Home shows a notable reduction from $311,726 last year to $196,168, the Royal following with $118,114, as against $144,582 last year. The Ætna is the only one of the companies writing over $100,000 in the six months to show a gain, it reporting $103,737, as compared with $101,712. The totals for the half year were $2,379,537, while they were $2,902,406 in 1907.

The Denver *Republican* reports the return to that city of H. T. Lamey, who has been making a business trip through the **Middle West**, and has the following to say about **fire insurance conditions** there:

Financial conditions continue bad in all of the cities I visited, and the general report is that insurance premiums during the past six months in the Middle West have fallen off from 15 per cent. to 25 per cent. from the amount written during the same period in 1907. Conditions in Kansas City are especially bad, worse than they have been for a long time. Heretofore the insurance business has not been affected much by the general depression existing in other business lines, but now the trade has been hit pretty hard, and matters are about at a standstill. The reason for the insurance depression lies largely in the warehouse situation. Of course at this time of the year matters are usually quiet, as merchants always carry a low stock preparatory to the heavy fall business. But this year the warehouses are shut down tight in many cases with no stock at all, and as a natural result the merchant refuses to carry as heavy a line of insurance as when he stands to lose more by fire. Then, too, the fact that they have not the money to buy stock with has a large influence on the conditions, so that they have become very much worse than usual. This applies not only to Kansas City, but to each of the cities named. As the warehouse premiums are a large factor in the city business of companies, the big shrinkage has resulted.

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A "million dollars" banquet was given at the Down Town Club, Philadelphia, last Saturday afternoon by President Louis S. Amonson to the field agents of the **People's National Fire** of Philadelphia in celebration of his success in launching the company so successfully. It was announced that more than $1,100,000 worth of stock in the company had been subscribed and that stockholders had taken options on $600,000 more, leaving only $300,000 yet to be subscribed out of the total capital of $2,000,000. Investments in stocks and bonds have been made to the amount of $250,000, and it is the intention to complete the investment of the company's funds and start active business in writing insurance some time in September. An appropriately inscribed loving cup was presented to Mr. Amonson by the "men behind the guns." George F. Huntington made the presentation speech. Toasts were responded to by Mr. Amonson, Samuel S. Bloom, superintendent of agents; Robert R. Dearden, Jr., of the *United States Review,* and others.

The Underwriters' Laboratories has issued a bulletin regarding the hazard of exposed bases of certain **incandescent lamps,** which says:

For the proper safeguarding of life and property the National Electrical Code prescribes that no live parts of an incandescent lamp base shall be exposed when the lamp is in the socket. Underwriters' laboratories and manufacturers of sockets, receptacles and incandescent lamps have co-operated for several years for the establishment of standards, whereby this result has been accomplished for the bases of common carbon filament lamps. The newer high efficiency lamps, such as the Tantalum and Tungsten, require a metal extension or "skirt" over the bulb beyond the Edison screw base. Designs have been developed and adopted by Americon manufacturers for constructing these high efficiency lamps in such a manner as to insulate this skirt from current carrying parts of the base and so secure in these types the same degree of protection as that already obtained for the older patterns. Some of the foreign manufacturers are, however, supplying lamps having exposed skirts not insulated from the circuit. Your attention is respectfully called to the desirability of giving preference to lamps having no live metal parts exposed when placed in the standard socket, which has a depth of 15-16 inch in a vertical plane from the bottom of the centre contact to the upper edge of the outer socket shell or wall.

Officers were re-elected as follows at the annual convention of the **Wisconsin Association of Local Fire Insurance Agents:** President, O. S. Morse, Janesville; first vice president, E. K. Ansorge, Green Bay; second vice president, Joseph Koffend, Appleton; third vice president, John West, Oshkosh; fourth vice president, Walter Hartshorn, Waukesha; fifth vice president, Joseph Dietrich, Racine; sixth vice president, Charles B. Weil, Milwaukee; seventh vice president, S. E. Baker, Portage; secretary and treasurer, G. Y. Wilkenson, Milwaukee. Rebating on fire insurance policies was discussed, and it is probable a bill will be introduced in the Legislature prohibiting rebating, similar to the life insurance bill. Thomas M. Purtell, State fire marshal, made an address upon the work covered by the new department during the past year, and statistics were shown proving the value of the fire marshal to the insurance companies of the State. Ten delegates were elected to the national convention at St. Paul.

The following description of **trusts in restraint of trade** in Mr. Taft's address of acceptance is not, it will be seen, a description of a compact of fire underwriters:

There must be some use by the company of the comparatively great size of its capital and plant and extent of its output, either to coerce persons to buy of it rather than of some competitor or to coerce those who would compete with it to give up their business. There must usually, in other words, be shown an element of duress in the conduct of its business toward the customers in the trade and its competitors before mere aggregation of capital or plant becomes an unlawful monopoly. It is perfectly conceivable that in the interest of economy of production a great number of plants may be legitimately assembled under the ownership of one corporation. It is important, therefore, that such large aggregations of capital and combination should be controlled so that the public may have the advantage of reasonable prices and that the avenues of enterprise may be kept open to the individual and the smaller corporation wishing to engage in business.

Taking effect today, August 1, **Whilden & Hancock** become general agents of the Philadelphia Underwriters for the New York suburban territory. After September 1 all present agents of the Philadelphia Underwriters in this field will report to Whilden & Hancock. Friends of the firm are congratulating its members upon obtaining such a strong leader for their agency. The Philadelphia Underwriters have a combined capital of $3,750,000, assets of $19,130,796.30, and a surplus to policyholders of $6,643,979.15. In the selection of Whilden & Hancock as suburban general agents the company secures the services of an energetic and capable twain whose popularity and underwriting ability are assets of no inconsiderable quantity in themselves.

Largely through the efforts of Frank L. Levy, of New Orleans, the **Life Underwriters' Association of Louisiana** has been formed for the purpose of promoting the interests of life insurance in that State. The constitution and bylaws of the association closely resemble those of the Life Underwriters' Association of New York. The following are the officers: Frank L. Levy, Equitable Life, president; Louis P. Rice, Louisiana National Life, vice president; Edmond J. Jacquet, Equitable Life, secretary-treasurer. The following executive committee has been elected: C. C. Swayze, H. J. Sanders, G. G. McHardy, E. C. Schnable. The charter members represent all the regular life insurance companies transacting business in the State.

Suit for $50,000 damages for libel has been filed against W. W. Hines, superintendent of agents for the Lamar Mutual Life of New Orleans, by J. M. Shumaker, of Jackson, the Mississippi agent of the Germania Life of New York. The cause of the suit is an alleged libelous letter sent out by Hines to thirty agents throughout the State, in which the character of Shumaker is bitterly assailed, and his business methods attacked and characterized as dishonest. The plaintiff claims his good name, business and professional credit and ability are brought into public ridicule, infamy and disgrace, and that he has suffered great damage. He asks for $20,000 compensatory and $30,000 punitive damages.

The Auburn, N. Y., *Citizen* gives an account of the finding of a policy of **draft insurance** among some old papers, which was issued by the long ago defunct Western New York General insurance company during the Civil War. The policy said that "In consideration of $175 paid to them by Joseph Butler, the company insures said Joseph Butler against the draft ordered by the President of the United States." The company agreed to furnish a substitute for any of the insured who were drafted. It did a thriving business in the neighborhood of Auburn, insuring over 100 persons. A curious thing about it was that not one of the hundred men was ever drafted. The policy bears date of March 31, 1865.

At a convention of the volunteer firemen of the counties of Orleans, Niagara, Erie, Livingston, Wyoming, Allegheny, Steuben, Genesee and Monroe, in the State of New York, held at Albion, N. Y., on Wednesday, resolutions were unanimously adopted **condemning Governor Hughes** for vetoing the Smith-Foley bill. Chairman Connor, of the law committee of the State Firemen's Association, said: "It may be that the people of this State are unfortunate enough to have the same Governor next year." Cries of "No, no;

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never!" drowned his voice. Then a remarkable demonstration of hostilities was indulged in by Republicans and Democrats alike.

The joint meeting of Ohio field organizations and the **Ohio Fire Prevention Association** at Put-in-Bay decided to ask the National Board of Fire Underwriters to assign one of its engineers to the Ohio field for a year, to work in conjunction with the association. It is desired through his influence to secure better ordinances, inspect fire departments and secure needed improvements. The chief argument urged against such an assignment was that other States would ask for similar assistance, but it was pointed out that the Ohio Fire Prevention Association has been at work for years, and had gotten the field in condition to justify such official assistance.

The **Dubuque Fire and Marine** celebrated its twenty-fifth anniversary by inviting all the field men to visit the home office for a silver jubilee observance. On Wednesday afternoon they were given a picnic at Sharpshooters' Park, with baseball games and other athletic sports, all the local agents in Dubuque and their wives being invited to meet the party in the evening. One of the guests was the holder of the first policy issued twenty-five years ago this week. On Thursday an excursion was taken up the Mississippi to Buena Vista, the celebration closing in the evening with a banquet at the Dubuque Club.

Even the New York *World*, one of the strongest of the Hughes dailies, has editorial doubts of his availability on account of **"certain puritanical tendencies."** Listen:

The one honest expression from Oyster Bay in this eruption of humbuggery is the claim of Mr. Hughes' opponents that he is not as strong as he was two years ago. The *World* has no sympathy with the Republican bosses of New York who are hostile to the Governor, but it believes that this conclusion is correct, and it knows that it will prove to be still more impressive as a political truth if Governor Hughes fails to act upon the charges against District Attorney Jerome and leaves him in office. It may be said, furthermore, that certain puritanical tendencies on the part of the Governor are likely to alienate a large body of voters from his support.

The new officers of the **Great Western Life** of Kansas City are organizing the Trans-Mississippi Life to take over the business of the Great Western by reinsurance when the receiver disposes of it. They are asking the present stockholders of the Great Western and the holders of annuity certificates to subscribe for stock at $150 a share as the only way to protect their present investment. The Missouri Insurance Commissioner, in considering any project for selling the company, will insist that the agreement shall not take away from the State the reserve fund maintained for the protection of policyholders.

The **National Fire** of Hartford will soon begin writing business **in Canada,** operating for the present in only the Western provinces, British Columbia and possibly Alberta being under Pacific Coast General Agents McNear & Wayman, and Saskatchewan and Manitoba under General Agent Fred S. James, of Chicago. The company will make its deposit for the entire Dominion. Arrangements were made for this step on the recent Canadian trip of President Nichols.

The Attorney General of **Wisconsin** has given an official opinion to Insurance Commissioner Beedle that the **iron safe clause,** which the latter proposes to attach to the standard fire insurance policy, is legal. The **exposure clause,** on the other hand, he holds should not be permitted because it is inconsistent with the statute, which provides that the policy shall be void "if the hazard be increased by any means within the control or knowledge of the insured."

A meeting of the **Cotton Insurance Association** committee was held in New York on Wednesday and Thursday of this week, those in attendance being S. Y. Tupper, Thomas Egleston, Edgar S. Wilson, Milton Dargan and F. M. Butt, of Atlanta, and Clarence F. Low, of New Orleans; E. H. A. Correa, A. G. McIlwaine, A. H. Wray, C. H. Coffin and Henry E. Rees. Cotton forms were one of the principal matters considered.

The **Nebraska Association of Local Fire Insurance Agents** at its tenth annual meeting at Omaha elected Paul Colson, of Fremont, president; W. S. Clapp, of Kearney, vice president, and C. O. Tallmadge, of Omaha, secretary and treasurer. Resolutions were adopted declaring information as to expirations of risks secured by reinsurance or transfer to be confidential and deserving protection.

The annual issue of the **Philadelphia, Pennsylvania and Delaware Insurance Directory** has appeared from the press of the Review Publishing and Printing Company, Philadelphia, J. H. C. Whiting publisher. It contains the record of everything of insurance interest in the localities covered, and is invaluable to all classes of underwriters. Price, $2.

The returns of **premiums receipts in Manhattan and the Bronx** by fire insurance companies in the first half of 1908, as printed in the *Journal of Commerce*, show a falling off of about 10 per cent., compared with the corresponding period last year. The receipts of twenty-two leading companies in 1907 footed up $5,244,000, and in 1908 $4,676,000.

Fire insurance companies doing business in **Oklahoma** are awaiting the opinion of the Attorney General of the State as to whether a strictly **advisory rating bureau** would be in violation of the new anti-trust law before venturing upon the encouragement of such a plan. Meanwhile the fire underwriters' association has been dissolved.

The Illinois Insurance Department has licensed the **Sovereign Fire of Toronto,** which has appointed Starkweather & Shepley as sole agents for Cook County. Herbert V. Burrows, manager for Starkweather & Shepley, will write business for the Sovereign throughout the Western States.

The **Southwestern Fire** of Hot Springs, Ark., has **reinsured** its business with the Queen of Arkansas insurance company of Little Rock. It was organized two and a half years ago, with M. M. Judd as president and J. C. Sewell as secretary, and has about $600,000 business in force in Arkansas.

London Lloyds was credited on the Street this week with having **insured the life of William H. Taft** for $100,000 for one year at 5 per cent. The brokers said that this was a heavy rate, as the life of Theodore Roosevelt was insured by Lloyds four years ago at a fraction under 2 per cent.

With a capital stock of $250,000, the **Mississippi Valley Life** of Little Rock has been incorporated. The officers of the company are: President and treasurer, W. S. Mitchell; vice president, Thomas E. Helm; secretary, William E. McRae.

Charged with conspiracy to defraud the Philadelphia Life insurance company, William Gilson and Charles Murphy have been arrested in Philadelphia. They worked, it is charged, a

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clever scheme whereby Murphy was insured under a fictitious name and his partner collected the premium.

The special agents of the **London and Lancashire and the Orient** met at the United States headquarters at Hartford this week for a conference with the officers. A banquet was given in addition to the business session.

There was an increase of **fire risks written in Pennsylvania** in 1907 over 1906 of $32,373,523, and an increase in premium receipts of $688,294, but there was also an increase in losses paid of $1,407,083.

The Mutual Life of New York has decided to make August **"Dexter month"** in honor of Vice President Dexter, who is abroad, and has asked the agents to write $30,000,000 in his honor.

Application has been made by Knoxville, Tenn., interests for a charter for the **Prudential Fire insurance company,** with a $25,000 capital.

The eleventh annual meeting of the **International Acetylene Association** will be held at the Auditorium Hotel, Chicago, August 10-12.

Admissions.—The Firemen's of Newark to Indiana; Jakor of Moscow to Pennsylvania.

Personal.

AGENCY APPOINTMENTS.

Agricultural of Watertown: Mott & Kissam, suburban head agents.

Empire State Surety of New York: Robinson & Price, of Baltimore, State agents for Maryland.

Fidelity Fire of New York: A. J. Kellock & Co., agents for the Western District of Brooklyn, beginning September 1.

Home of New York: J. A. Weeks, special agent in Minnesota; Charles F. Butts, special agent in North Dakota, with headquarters at Fargo; Clarence E. Hay, special agent for South Dakota, with headquarters at Sioux Falls.

Insurance Company of North America and Philadelphia Underwriters: Claude F. Snyder, of Louisville, State agent for Kentucky.

Milwaukee Fire: Arthur J. Hughes, special agent in Illinois and Wisconsin.

Mutual Life of New York: Waite H. Squier, manager of the Omaha, Neb., office, transferred from Duluth.

Phœnix of London: Joel R. Gay, of Seattle, special agent in the Northwest.

Providence-Washington: Charles E. Cormany, special agent for Wisconsin.

Prussian National: W. G. Titus, of Lansing, recently appointed special agent for southern Michigan, has had Indiana and Kentucky added to his field, following the resignation of J. W. Williams; J. N. Hobbins, special agent in Missouri, Kansas and Oklahoma, with headquarters at Kansas City; George S. Valentine, special agent in Iowa, Nebraska and Minnesota.

Sovereign Fire of Toronto: Starkweather & Shepley, agents for Cook County, Ill.

Springfield Fire and Marine: John Gibbons, of Oklahoma City, general adjuster for Texas.

Washington Fire of Seattle: Arthur H. Lockwood, manager for Brooklyn, New York.

Mr. Greville E. Fryer, who has been secretary of the Insurance Company of North America the past twenty-seven years, died at Philadelphia on Monday, aged seventy-four years. He was a native of Bath, England, and came to America when a youth. He entered the service of the insurance company in 1867, was made assistant secretary in 1874 and secretary in 1881. In 1890 he was appointed to the additional office of treasurer. Mr. Fryer was a highly esteemed gentleman, and his death will be felt by a very large number of friends in and outside the company which he served so long and so faithfully.

Mr. Lewis E. Snow, senior member of the St. Louis, Mo., insurance firm of Delafield & Snow, died at his home there of intestinal troubles on Sunday, July 26, aged sixty-five years. Mr. Snow, who was a brother of E. G. Snow, president of the Home insurance company of New York, had been a conspicuous figure in St. Louis insurance circles for nearly half a century. He became a member of the firm of which he was senior partner more than forty years ago. He was president of the St. Louis Fire Prevention Bureau for several years.

Mr. Louis Monrose, of New Orleans, formerly well known in New York as the senior member of the firm of Monrose & Mulville, died in the first named city on Tuesday. He removed to New Orleans a number of years ago and has always been prominent there in fire underwriting. At the time of his death he was a member of the agency firm representing the Commercial Union, Atlas and United Firemen's for Louisiana and Mississippi. He leaves several sons, who were in business with him.

Mr. Fred M. Garner has been elected secretary of the North State Fire of Greensboro, N. C., succeeding J. F. Cobb, who went to San Francisco a short time ago to take the management of the Pacific Coast department of the Dixie Fire. Mr. Garner has been with the North State almost since the organization of the company, entering the service as a bookkeeper, and by merit working himself up to the important office of secretary.

Mr. H. C. Griffing, of Milwaukee, Wis., for a number of years a rater for the Wisconsin Field Club, has been appointed manager of the new Wisconsin Rating Bureau, which has charge of the entire State outside of Milwaukee, where the rates are made by the local board. The other raters employed by the Wisconsin Field Club will enter the service of the advisory rating bureau. The change takes effect today.

Mr. Claude F. Snyder, for the past four years secretary of the Kentucky Board of Fire Underwriters, has resigned, to take effect September 1, and he will then become Kentucky State agent and adjuster for the Insurance Company of North America and Philadelphia Underwriters.

Secretary Frank W. Purmort, of the Central Manufacturers' Mutual Fire of Van Wert, Ohio, died suddenly at his home July 18, after being in poor health for about two years. A brother, C. A. L. Purmort, who is now assistant secretary, is expected to succeed him as secretary.

Mr. James P. Mullins, who was formerly connected with the Worcester, Mass., local agency of D. F. Rourke & Co., has returned to the business, and opened offices in the Slater Building, at Worcester, as local agent for the Allemannia of Pittsburgh, Pa.

Mr. J. Homer Egleston, a prominent insurance adjuster of Cincinnati, who was connected with the Union Central Life at the home office, died of heart disease at the Good Samaritan Hospital in Cincinnati on July 23, He was fifty-seven years old.

Mr. J. K. Lundy has resigned as State agent of the Sun of London in Minnesota and the Dakotas, taking effect October 1, to become a partner with his father in the local agency of A. D. Lundy & Co. at Williamsport, Pa.

Mr. Charles A. McFeely, for eighteen years the Pittsburgh manager for the Massachusetts Mutual Life, died there on Monday, aged sixty-one years. He was formerly with the Berkshire Life and afterward with the New York Life.

Col. Gilbert L. Fitch, an old mutual life man, who has recently been engaged in the stock brokerage business at Stamford, Conn., has become connected with the Puritan Life at the home office in Providence.

Mr. George G. Brown, late manager of the liability department of the Norwich & London Accident at the United States head office in Boston, has entered the real estate and loan business at Cleveland, Ohio.

Mr. J. L. Price, of the Germania Fire of New York, has resigned to accept a position as special agent with the general agency firm of Trezevant & Cochran, of Dallas, Tex. He takes up his new duties today.

Mr. James Foster, president of James Foster & Son, Inc., insurance brokers of 850 Broadway, New York city, died at his summer home at Quogue, L. I., July 26, aged sixty-two years.

Mr. A. N. Bonynge, of the Newman & MacBain agency, will leave that connection August 1 to enter the burglary department of the American Bonding's New York office.

Mr. Fred O. Paige has resigned as manager of the Hartford Life for Michigan, and he will enter the automobile business. He is succeeded by Butenshaw & Sibley.

President Darwin P. Kingsley, of the New York Life insurance company, is due from his European trip to arrive at New York city today by the steamship Amerika.

President Lem W. Bowen, of the Standard Accident of Detroit, has been elected to the presidency of D. M. Ferry & Co., the big Detroit seed house.

Mr. Charles W. Merrill has resigned as assistant secretary of the Pennsylvania Fire insurance company owing to ill health.

Mr. James Hazen Hyde has returned to Paris after an extended tour in the Asiatic East.

Casualty and Surety Insurance.

Unusual accidents of the week are as follows: Jumping from the cab of his locomotive to save himself from what he thought would be a collision a fireman sustained a fractured skull and internal injuries; two girls were drowned on the Oswego River by being thrown from a motor boat as it turned suddenly from its course when caught in the swift current; a watchman in a Brooklyn paint factory saved the building, but was fatally burned by rolling out six barrels of naphtha to avert an explosion; a Pennsylvania farmer was gored by a bull which knocked him down and wounded him in the thigh, only three months after he had been kicked in the face by a mule and his jaw broken; suffering from a severe stomach ache a man picked up the first vial he found in the closet and drank laudanum; a lineman had his thumb and forefinger burned off, and was instantly killed while working on a pole, by coming in contact with 2,400 volts; the explosion of a sulphuric acid tank on Barren Island seriously burned two laborers; in leaning over to strike a mosquito on his neck a watchman lost his balance and fell into

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an excavation, receiving probably fatal injuries; caught under the chin by a hoisting hook a foreman was jerked into the air and then dropped into the hold of the vessel; a lad playing about a stable was kicked in the jaw by a horse that was stamping to rid itself of a fly; while a soda fountain in a drug store in New Jersey was being charged the tank exploded, and a piece of steel broke the ankle and both bones in the leg of an employee; after a fall of 50 feet down a cliff a New York man became wedged between rocks on the hillside, and was unconscious when rescued; a tented circus wild man of Borneo broke loose in a thunder storm, and before he was captured had fatally torn his keeper about the throat; while bathing in the Raritan River a boy fell on some wreckage and drove a spike under his kneecap; in alighting from a Thirty-fourth street crosstown car in New York city a woman fell and sustained injuries resulting in concussion of the brain; leaking gas in a room of the Tilden Club in Williamsburgh caused serious injuries to two men who struck a light to enter the room and were burned by the resulting explosion; while walking across the lawn at her home a Brooklyn woman was precipitated into 5 feet of water in a disused cesspool when the top caved in; an electrician working on his back in a conduit at Greenwich street and Sixth avenue, New York, was electrocuted when the wires were short circuited by water in the ditch; a Civil War veteran with a gallant record tripped over a cat, fell down a flight of stairs and died from his injuries; in endeavoring to arrange the lighting current in his bathroom to enable him to take an electric bath an army officer was shocked to death; her clothesline in the backyard becoming charged with electricity from an electric light wire, a woman was electrocuted as she touched the wire in hanging out her wash; a laborer in a metal plant at Canton, Ohio, was roasted to death by the explosion of paint and naphtha in the works; a woman was trampled to death by a team of horses as she returned from a camp meeting; a thirteen year old boy drowned in the Connecticut River, being dragged down by "swimming wings"; while riding on an aerial swing at an outing of his church a minister was fatally attacked by heart disease complicated with Bright's disease; a toy boomerang in the hand of a careless boy struck a passing automobilist in the head, making a bad gash; while wrestling on the edge of a canal two men stepped backward into the water and were drowned.

Company managers report the usual summer dullness in the **liability insurance market,** with a continued dropping of rates due to the extreme competition of some of the younger and smaller companies, which seem to be grabbing anything in sight and taking a chance on the outcome. How they can do this with such avidity considering the cost of inspection and adjustment on risks which some of the larger companies have carried at a loss for four or five years, and could not afford to hold any longer, is hard to figure out. In fact at the present time several of the larger companies have taken upon themselves to purge themselves of unprofitable lines by raising the rates, but at the same time showing the assured just why it had to be done, and how the venture had been a losing one to the company. As a rule of course the assured goes elsewhere, and there have been numerous instances where the rate which had been a losing one for the bigger company had been practically cut in two by the new company in the field. Of course the newcomer could not afford to do it, but new companies often have an ill defined idea that getting premiums—no matter what the losses are—is doing business. These are certainly bargain days for the man seeking liability insurance at cheap rates. The only trouble is that, like all bargains, they are seldom worth any more than is paid for them. As the liability insurance business is one in which the payment of losses is frequently deferred anywhere from seven to ten years, inexperienced underwriters are oftentimes deceived. Meanwhile the premiums and an average amount of losses come in, and the young company thinks it is doing well. After the fourth or fifth year, when the adjustment of deferred claims sets in in earnest, the company is likely to go to the wall. For this reason the man who purchases his liability insurance at the cheap cut rate is jeopardizing his business of the future by every cent thrown off the rate. If in five or ten years from the date of issue of his policy the company he is insured in is shaky or insolvent, where then is the protection for which he paid? Would it not have been better to have paid a little higher rate, and held a policy in a company whose past achievements warrant a continued and substantial progress for the future? A liability insurance policy, perhaps more than the average casualty contract, must needs be issued for present and future security as well. As one well informed liability man said the other day: "It will take one first class failure to wake the companies up to the error of their ways. At present it looks to me as if the needed restorative might not be far off. Although regretting such a happening, a real big funeral might clear the air."

People who apply for a **surety bond** at the office of a surety company these days probably never stop to think what a **change** has come **in business conditions** by the substitution of a surety bond for personal surety. It used to be customary for a man to bind a contract with his neighbor with no thought of seeking a further guarantee than a man's word as to the fulfillment. This is all changed now, not because a man doubts his neighbor's honesty any the more, but because he realizes the frailty of human existence, and knows that whatever happens he or his heirs will be protected provided a substantial corporate surety bond is secured. In the early days the friend who could stand as bondsman was a mighty good one to cultivate, and alas! he was frequently "stung" badly. This is now done away with, and families are happier for it, and business is conducted on a much more stable basis. The pioneers in the surety field had to contend with diverse laws in the different States, with unfriendly legislatures which were loath to change existing statutes which called for personal surety instead of the corporate surety bond, and with people who persistently failed to understand what the change meant. In 1894 when the law was passed permitting surety bonds to be accepted by the United States Government on contracts a new era dawned for the business, and the various new ways in which a surety bond may now be used is a continual wonder to the uninformed. A prominent surety company official a few days ago said he had discovered a new ramification of the surety bond habit, which if it works out satisfactorily will open still another field to the business. This is not surprising when the changes constantly being made in business life are considered. But to the men of fifteen years ago who fought for the cause against hostile legislative sentiment and personal bigotry, and sometimes abuse, the companies springing up, now the path is blazed, owe a considerable debt of gratitude. The business is still young, and of course there is lots of room for legislative and Government improvement as regards hampering restrictions, etc. Nevertheless the business is being written more successfully and easily as time goes on.

The inclusion of a **coinsurance clause** in **burglary insurance policies,** which was advocated by THE WEEKLY UNDERWRITER recently, is discussed in an interesting way in the current is-

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sue of the *Budget* of the Maryland Casualty of Baltimore, which says:

There has been considerable discussion among the managers of the burglary departments of the companies writing residence burglary insurance as to the advisability of introducing a coinsurance clause in the policy form. Notwithstanding the high average exposure under most policies, which is a matter of fact, not theory, for only people in comfortable circumstances, or wealthy people, carry burglary insurance, as a rule, it has come to be a matter of course to sell all prospects a thousand dollar policy. The unfairness of this is especially manifest when residence burglary insurance is considered. An assured carrying a policy on his home only to the extent of a thousand dollars may have, and in the majority of cases actually has, portable property worth many times that much. The figures show that from 40 to 50 per cent. of the goods in a house are easily stealable, and so the face value of every burglary policy should be at least 40 per cent. of the estimated value of the assured's property. If, for instance, a prospect judges that the present worth of his valuables of all kinds is $10,000, then he should carry burglary insurance to the extent of $4,000, and the agent should insist that this be done. In such a house a thief could easily get away with a thousand dollars' worth, and the assured, if he has only a $1,000 policy, has about four chances of breaking even when he has paid only for a single chance. A coinsurance percentage clause, making the assured a coinsurer with the company in case of a partial loss if he has not purchased insurance equal to a certain proportion of the value of the property exposed, would either result in adequate insurance being taken, or in limiting the insurance to a certain described portion of the assured's property, in either case reducing the liability of the company to exactly the liability estimated upon when the rates were made. In view of the unfavorable experience all companies have had with residence burglary insurance in large cities, we urge our agents to pay more attention to that question in our applications which refers to the amount at risk, and to endeavor to have the prospect buy enough insurance to give the company an even chance. We do not want a coinsurance clause in our policies if we can do without it, for that may cause misunderstandings when losses are adjusted, owing to the assured's neglect in not reading his policy, but we do want a better experience on this class of business, must have it, in fact, and if the agent will do his duty the larger commission is his, while the assured gets greater protection at a smaller price for each additional thousand dollars of insurance, since the rate decreases as the amount of insurance increases.

The first year's experience of the British casualty companies in the **insurance of domestic servants** under the Workmen's Compensation Act of 1907 has been unexpected and unprofitable. The *Pall Mall Gazette* has the following:

Many hitherto unexpected perils of domestic service are revealed in the returns of the first year's working of the new act which made employers liable to compensate household servants for accidents. Since the "servants' charter" came into force the number of claims has far exceeded the expectations of the insurance offices. Domestic service must be speedily classed as a "dangerous trade" if the long chapter of accidents which have befallen domestics during the year is continued. The following figures show the striking increase in accident insurance as the first result of the new workers' compensation act: Income from accident premiums, 1906-7, £5,000,000; estimated income, 1907-8, £8,500,000; increase, £3,500,000; number of claims received, 55,000. The unluckiest indoor servants, according to the figures, are: Cooks, who run hourly risks of burns and cuts; housemaids, who are liable to fall downstairs or out of windows; butlers, who are frequently cut while opening bottles. A surprising fact is that chauffeurs have escaped almost scathless. A comparatively heavy premium of £1 has to be paid in most cases for insuring chauffeurs, but it has seemed as though they are more fortunate even than scullery maids. Among many curious claims are: A housemaid who caught a cold in her eyes by sleeping with the window open; a cook who was kicked by a boy seven years old; a domestic servant who was scratched and bitten by a cat while trying to prevent it being worried by a dog; a servant who fell into a pond and contracted pneumonia; a girl who swallowed a fish bone eating her breakfast; a cook who got a bit of coal in her throat while in the cellar breaking up the coal; a teacher who caught a contagious disease from a scholar; a servant scratched while catching rats; underkeepers shot by poachers. Millions of pounds in risks have been accepted by the leading London insurance offices, and already the actuaries are finding that the present premium of 2s. 6d. a head is too low. The figures were fixed a year ago, before the insurance offices learned by experience how very unfortunate Mary Jane, the cook, and James, the butler, could be. All the estimates had to be fixed by guesswork. Most of the chief insurance offices, however, have decided to continue the low rate of premium for another year, when they will have definite figures to work on.

Associations of automobile owners and others interested in the business seem to be more than anxious these days to **place** all their **automobile liability insurance** in one company at a rebate or cut rate arrangement by means of a representative of the association acting as the company's agent. The companies are inclined to look with disfavor on these propositions owing to the fact that such arrangements tend to disorganize the agency force, and to discourage their best efforts. If all big lines come in time to be placed through associations or clubs, agents who are the active standard bearers of a company before the public will become disheartened at losing some of their choice lines, and switch their business to a competitor who will refuse to enter any compact tending to eliminate the agent. Without the agent, who is the company's never ceasing standard bearer, the premiums would indeed come in slowly. He is a walking advertiser of the company and its policies which no company can afford to do without. Coincident with the refusal of the Travelers to make a contract with the International Automobile League, the Ætna Life was approached by an association of automobile manufacturers who were eager to effect some arrangement whereby a rebate or concession should be made to their members if a representative of the association acted as agent for the business. As this was merely an old plan in new guise the Ætna in accordance with its policies refused to consider the proposition.

The annual convention of the **Board of Casualty and Surety Underwriters** will be held in New York city on Tuesday, October 20. The date was decided at a meeting of the executive committee, at which the following committee of arrangements was appointed: David W. Armstrong, Jr., National Surety; Edson S. Lott, United States Casualty, and William T. Woods, Lloyds Plate Glass. Chairman Seward of the executive committee, in announcing the arrangement, says:

I am also requested to ask the several members of the board for suggestions of subjects for discussion at the meeting, and to say as respects any suggestions that the company suggesting any subject may, if it desires, by any of its officers, present each subject to the meeting, or may have it set down for discussion without undertaking to make any presentation of it to the meeting. It is hoped that practical questions will be brought forward in this way, and that practical benefits may result. It is intended to invite one or more insurance commissioners to take part in the meeting. If there is any way on the above lines or any other way by which you can promote the success of the meeting, the committee hopes that you will utilize the opportunity. The meeting will run over two days if need be. The banquet will be on the evening of the 20th.

A claim for a little over $1,200 has been filed with one of the burglary insurance companies, the Ocean, by the Bank of Ridgway, at Ridgway, Col. This recalls the fact that **Colorado** has been singularly fortunate in the **scarcity of bank burglaries** which have been committed there. Outside of Denver the above burglary is the only one which we recall at this time. This is all the more remarkable because of the large amount of foreign labor employed in Colorado, the free use of explosives in mining, etc., and the mountainous character of the country, all of which it would seem would tend to make Colorado a high loss ratio State. In the Ridgway bank a double burglar-proof safe was blown open and completely wrecked, but little cash was secured. The safe was valued at a little more than $1,000.

The **Philadelphia Casualty** has just placed on the market a new accident policy, which the company claims in its circular announcement is "a combination of every feature singly advertised by other companies as the one feature." The form is liberal in its provisions and concise in its wording. Its special features are the paying of double indemnity for injuries resulting from a stroke of lightning, the paying of the principal sum of the policy for the loss of an eye and a hand or the loss of an eye and a foot; the paying of specific in-

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demnities in addition to the weekly indemnity if the loss occurs within ninety days, whether or not the assured is continuously disabled; the liberalizing of the beneficiary clause and an increase of amounts in the schedule of optional indemnities.

As an incentive to their best efforts the **General Accident** of Perth has offered a **European trip** to such of its agents as qualify by writing $5,000 in premiums on new commercial accident, health and disability business between August 1, 1908, and August 1, 1909. This business must be paid for by September 1, 1909, to count. United States Manager J. Franklin Moore has arranged this trip contest to celebrate the tenth anniversary of the General's entry into the United States, which occurs next year. By writing $2,000 in new premiums an agent may qualify for a trip to Philadelphia, and after the convention there those entitled to do so will sail for Europe, and a visit to the home office at Perth, Scotland.

The Hotel Griswold, situated at Eastern Point, New London, Conn., is where the Eastern convention of **Travelers' agents** will be held September 10, 11 and 12. Those in the central section who qualify for the conventions will assemble at the Hotel Pontchartain, Detroit, Mich., September 17, 18 and 19. This is the first year that the Travelers has attempted to try the group convention scheme, and it remains to be seen how it will work. The task of bringing Travelers' agents from all sections of the country to one place and paying railroad expenses and hotel bills proved an expensive one, hence the group convention idea sprang up.

The city officials of **Indianapolis** have been warned by the **Ætna Indemnity** of Hartford, the bondsman of the Indianapolis Construction Company, with which the city has been having some trouble over work, that it will not be liable on the bond if the city pays for the work done before it knows that all bills are settled for material and labor. The construction company, for money advanced, assigned to the German Investment Company all interest in the $12,750 for the work done, and the investment company has notified the surety company that the construction company has drawn all the money it was to get for the work.

The **Ætna Indemnity** of Hartford has promoted Nelson D. Sterling, former manager of the plate glass insurance department, to the post of assistant secretary, and given him full charge of the company's casualty insurance departments, including plate glass and burglary. He will have charge of the accident and health business as soon as the company begins writing that line in the near future. All agency matters connected with these departments will also be looked after by him. He has had seventeen years' experience in the business, and has served the Ætna Indemnity for the past two years.

Before leaving on Monday last to take up his new duties as general superintendent of the United States Health and Accident of Saginaw, Mich., **H. H. Behse,** who has resigned as assistant superintendent of the Fidelity and Casualty's accident, health and physicians' liability departments, was presented with a gold watch by Superintendent H. R. Woodward, with whom he has been associated. The gift was in appreciation of services rendered as assistant to Mr. Woodward in the accident, health and physicians' liability departments.

Pittsburgh bankers, who in the last few years have lost about $10,000,000 through **dishonest employees,** are framing a bill to be presented to the next Congress providing that stockholders of the national banks of the United States be assessed a small amount each dividend day, the money to be turned into the United States Treasury for a fund from which the depositors of any national bank would be paid in full immediately upon the discovery of any shortage or trouble which might make necessary the taking in charge of the bank by Government authorities.

The **Ocean Accident,** whose United States headquarters has been for some time at 350 Broadway, New York city, has signed a twenty years' lease for the entire fifth and sixth floors of a building being erected at 111-121 William street, corner of John, by the Golden Hill Building Company. The structure will be six stories high, and the ground floor and possibly a portion of the second floor will be occupied jointly by Jameson & Frelinghuysen and the Globe and Rutgers.

A **new industrial policy** recently issued by the United States Health and Accident of Saginaw costs $2 a month for the first three months, and $1.50 a month thereafter, with no policy fee attached. The benefits are more liberal than the $1 a month form. The company has recently secured a franchise to write railway instalment business among the employees of the Chicago and Northwestern, and Chicago, Milwaukee and St. Paul railroads.

Suits have been filed in the Circuit Court of Little Rock, Ark., against the **Federal Union Surety** for unpaid loss claims of the Mississippi Home, now in the hands of a receiver. The Federal Union was surety for the Mississippi Home, under the law which requires each fire insurance company to give a bond. The suits are in the name of the State, but for the use of several parties who have unpaid loss claims on the fire insurance company.

A mandatory injunction against **State Auditor Billheimer** of **Indiana** has been secured by the American Surety of New York enjoining him from refusing to accept bonds of that company for employees of banks and trust companies. This is first blood in the suit instituted by the company to prevent the Auditor from dictating the terms of surety bonds.

A **physicians' defense policy** is now being issued by the Pennsylvania Casualty of Scranton. Besides the usual protective features relating to mistakes or malpractice and litigation growing out of them, malpractice by an assistant in the employ of the assured is covered while acting under the assured's instructions.

The **Chicago managers** of the **United Surety** of Baltimore, John McGillen & Co., scored an increase of 129 per cent. in June, compared with the average monthly premium for a number of months past, and have equaled their entire 1907 business during the first half of 1908.

The Pennsylvania Casualty of Scranton has issued a **semi-commercial policy** known as the "Preferred Disability," to be sold on the monthly payment plan.

A stock company is now being organized in Chicago to take over the business of the **Loyal Accident,** now on the mutual plan.

It is reported that surety companies will advance **rates,** beginning August 1, **on public officials,** the losses having been

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very heavy of late on that class, and will increase the minimum premium from $2.50 to $4.

The United States Health and Accident of Saginaw has appointed J. B. Bray **Chicago manager.**

The **Pacific Mutual Indemnity** of Los Angeles will increase its capital to $250,000.

Insurance Legislation.

Complete copies of all important bills in the legislatures affecting insurance are on file in the office of THE WEEKLY UNDERWRITER.

Georgia.

ATLANTA, July 27.—The following bills have been introduced in the Legislature during the week:

Senate Bill No. 226, by Mr. Williford, "to prevent the issue, sale or gift by life insurance companies doing business in the State of Georgia of any special or advisory board contracts, agency company stock or stock of any company or corporation in connection with the sale or as an inducement to the purchase of life insurance."

House Bill No. 1051, by Mr. Crawford, "to amend Section 2059 of the Civil Code of Georgia of 1895 by paying the fee of the Insurance Commissioner into the State Treasury and paying said commissioner stated salary and for other purposes." The bill provides a salary of $3,000 per annum and requires companies to pay the following fees: For filing certified copy of charter, $20; for examination of annual statement, $20; for license to agent, $3.

House Bill No. 1081, by Mr. McCarthy, "creating the office of steam boiler inspector, providing for the appointment of such inspector and defining his duties and for other purposes."

Miscellany.

London Lloyds Developing Into a Huge Gambling Institution.

(The Insurance Index, London.)

No one would dream for a moment of questioning the magnificent history and great reputation of Lloyd's. But it was never supposed that this reputation would be traded upon in the way that it is. It is difficult to understand how the authorities at Lloyd's can be so indifferent to the enormous risk run by those individual members who make up the collective whole known as Lloyd's. All Lloyd's losses have been paid hitherto, it is true, but as the insurance companies know only too well, sweeping conflagrations not only may, but do, occur. Witness the millions paid by British offices at San Francisco, Baltimore, Ottawa, etc., all in recent years. Of course it may be said that Lloyd's has also paid on these. So it has, and most creditable to it; but it has to be remembered that, even more than to an insurance company, the payment of losses is a vital point to the underwriters at Lloyd's; their existence depends on it. Also, that at the time when these conflagrations occurred Lloyd's was not paying the same attention to—or in other words, gambling so violently in—fire insurance risks.

Perhaps because of this past it may be forgotten in the present how dangerous is the risk attaching to business accepted through third parties, and of which only those on the spot have an accurate knowledge. We can unhesitatingly state that Lloyd's underwriters are absolutely ignorant of the nature of some of the fire risks they accept; in some cases the impression given is that they know little and care less, accepting premiums and trusting to luck that no fires will occur. Any insurance company working on such lines would be called a wildcat, and perhaps with smaller reason than in the case of Lloyd's, for the insurance company publishes its figures, and Lloyd's publish none. Every member of Lloyd's has to make a deposit of, we believe, £5,000, but this is applicable to marine insurance only, and cannot be touched in connection with any other branch of insurance that a member may choose to embark in. This is not so generally known as it should be. On fire insurance and every other kind of insurance outside marine the underwriters at Lloyd's have a free hand, and so far as the actual security, other than the name, is concerned, the man requiring a policy that he can depend on as a genuine security might with equal justice walk round to the nearest prosperous publican that he knew personally, pay him a premium, and take his written statement that, in case of a fire, the loss would be paid. It is security, of sorts, certainly, but is it a good enough one?

It is common knowledge that the insurance business, other than marine, undertaken by Lloyd's underwriters has assumed huge dimensions which are increasing every day. Where does this business come from? Partly from the United Kingdom, and more and more from abroad. Even on its British business, Lloyd's, formerly regarded with some tolerance as the acceptor of what may be called "surplus line" business, has now become a direct competitor of the fire insurance offices; but in the United States this is much more emphatically the case. Then, not satisfied with trading on its previously honored name in order to obtain a shore of legitimate surplus business, Lloyd's underwriters, through their questionably careful representatives, have entered upon a deliberate rate cutting campaign, making reckless bids for business on the basis of 20 or even 40 per cent. reduction of rates.

If it be granted that Lloyd's underwriters are justified in meddling with fire insurance business at all—and marine insurance policyholders, as we shall point out, might object to this with considerable reason—it must in any case be admitted that their only safety depends on strictly following the policy of the great tariff offices which have regularly constituted United States branches, and which know from long experience almost all that there is to be known about American business and individual risks. There is no British fire insurance company that can afford to cut rates in the United States, and to work on its own in defiance of all combination and general knowledge. Yet while such a policy would be regarded as suicidal on the part of an insurance company, leading inevitably to bankruptcy and disgrace, each individual member of Lloyd's can at present constitute himself a non-tariff fire insurance company, responsible to no directors, publishing no figures, and with a perfect right to undertake liabilities of millions without anyone being the wiser.

Not even the members of Lloyd's themselves know the liabilities incurred by each other. It is a personal and private matter, and will remain so until strong measures are taken to alter this. Nearly everyone taking out a Lloyd's fire insurance policy has an indistinct impression that Lloyd's is a great institution as financially unassailable as the Bank of England. The fact is that in each case the security is only a promise to pay made by one, two, three or more gentlemen of repute, who may have millions or who may be insolvent. And yet, while the mere bookmaker is persecuted and fined, this wild gambling is allowed to go on unchecked. It may be asked how it can be altered. No one can embark on annuity business or any kind of insurance involving life contingencies without first making a deposit of £20,000 with the Board of Trade and without publishing accounts. In the same way the immoral speculation at Lloyd's could be either stopped or checked by legislation requiring everyone issuing an insurance policy to file audited revenue accounts and balance sheets. The mere publication of the official figures would almost certainly be sufficient. Publicity has always proved the greatest bulwark of insurance soundness in this country, and it will always remain so.

Many an insurance company has come to utter grief by accepting just the same class of business that is now being freely taken at Lloyd's—and this even without indulging in any iniquitous cutting of rates. The whole history of fire insurance in this country shows that disaster is sure, unless certain well defined lines are adhered to. It is not only possible that such disaster may overtake Lloyd's underwriters; we say that they are inviting it, and that, as things are, it must occur sooner or later. What do the holders of Lloyd's marine insurance policies think? Their security is being reduced every day. Lloyd's was essentially a marine institution, and made its name on marine business; it was never contemplated that gambling in all other kinds of business should be entered upon. Policyholders are trusting to a shadow of something, they know not what. Let Lloyd's for its own sake alter; even a partial failure by underwriters to meet liabilities would do immense damage to British insurance and to the national credit.

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A History of the Metropolitan Life Insurance Company.

The Metropolitan Life insurance company has commemorated the fortieth anniversary of its foundation by publishing its history in a handsomely illustrated and bound volume. The following extracts will pleasantly inform the friends of the great company about its beginnings and early years, and its present position among American insurance institutions:

In the year 1863 there was incorporated by the State of New York the National Life and Limb insurance company, the object of which was to insure against death and casualty the soldiers and sailors engaged in the Civil War. The name of this company was subsequently changed to the National Life and Travelers insurance company.

In 1866 two new corporations were formed from it, namely, the National Life insurance company and the National Travelers insurance company, the life insurance business being transacted by the National Life, and the National Travelers devoting itself to the casualty business. The National Life insurance company passed into the hands of a receiver in the year 1873.

The National Travelers insurance company, however, soon made application to the Legislature for permission to engage in the business of life insurance, and in 1868 its name was changed to "Metropolitan Life Insurance Company."

TAKING ON THE INDUSTRIAL BUSINESS.

In the early part of 1879 the subject of introducing that plan of insurance in this country after the general working methods of the great London company was discussed by the officers of the Metropolitan, who had been considering it off and on for several years previously, and it was then determined to give the business a trial. Industrial insurance is insurance adapted to the working classes by providing amounts of insurance based on weekly premiums of 5 cents and multiples thereof, collected by the company at the homes of the insured.

It required more than ordinary courage and faith to branch off from the old and well tried forms of insurance to enter this new field. The English company had appeared to be a wonderful success, but whether the system would prove successful in this country was an open question. In the first place it was not known whether it would be popular among the industrial classes of America, and even if a large volume of business could be written, there was absolutely no criterion as to the probable death rate, or whether enough of the premium income could be retained to meet the legal reserve required by law. The presumption was not altogether in favor of success, because the great English company established its own rule of computing the reserve liability, and could at all times, therefore, show a surplus, while in this country the rigid rules of valuation called for a high reserve, failure to meet which would mean disaster.

To fully appreciate this statement it is only necessary to say that it was not until the end of 1886, or thirty-eight years after its incorporation, that the Prudential insurance company of London, which then had over 7,000,000 policies in force, adopted the rule practiced in this country, known as the net premium basis of valuation. The actuary of that company, in his report concerning this matter, said: "It may be contended that the principles which are adopted in the valuation of ordinary assurances are not applicable to industrial risks, but it must be a source of the highest gratification to everyone connected with the company to feel that the business of this branch will now bear a test so severe, and one hitherto unknown in the history of industrial insurance." He must have meant the history in Great Britain; the test was borne by the Metropolitan in the United States from the start.

THE FIRST INDUSTRIAL POLICY.

The first industrial policy in the Metropolitan was written in November, 1879, and in 1880 it wrote 215,878 policies. When these results were first published insurance men were astonished, not thinking it possible for such a volume of business to be written by one company.

The income of the Prudential of London in 1854 (the first year of industrial insurance) was $15,375; in 1864, $381,355; in 1874, $2,898,060; in 1884, thirty years after it began industrial business, $15,308,370. The income of the Metropolitan in 1879 (the first year of industrial insurance) was $567,598; in 1889, $9,863,819; in 1899, $28,798,714, and in 1907, $73,114,161! Thus in thirty years the Metropolitan will have reached more than five times the income reported by the Prudential at the end of the same period of its history. Who will venture to say what the income will be ten years hence?

The expenses of establishing a "plant," of vigorously pushing the business, of meeting the high rate of mortality among the industrial class, and of attaining and maintaining the leadership of the business, were so great that it was deemed wise in 1883 to seek legislative permission to increase the capital stock of the company. That permission being promptly granted, $400,000 was added, making the capital $500,000.

THE TURN OF THE TIDE.

The tide began to turn in 1886, seven years after the cornerstone had been laid, and at the end of that year the surplus had increased to $258,123.03, and continued to augment so rapidly that the company has been able during the past fourteen years to grant concessions to policyholders, the cash value of which exceeded $13,000,000.

From the end of 1879 to the end of 1891 the number of policies in force in the ordinary department fell from 7,680 to 3,153, because little effort was made to secure new policyholders, though the interests of existing policyholders were guarded with the utmost care. During this entire period the officers of the company were men of one idea as to new business, not deviating in the least until that one idea had developed a healthy, vigorous, gigantic institution whose ramifications extended to every city, town and village of any importance in twenty States, in addition to the District of Columbia and the Dominion of Canada, and embraced with its arms of protection more than 2,000,000 of policyholders. Then, realizing that its army of 7,000 agents must of necessity come in contact with some people who desired and could afford to pay for larger sums than the industrial department was designed to cover, it was decided in 1892 to revive the ordinary department.

THE ORDINARY DEPARTMENT.

The record in the growth of business in the ordinary department since 1891 is evidence of wonderful results in the number of policies and amount of insurance, and when it is added that this business at the end of 1907 represented annual premiums amounting to more than $20,000,000, and that the reserve liability reached the enormous sum of $70,000,000, some conception can be had of the results of the labor in this department during the sixteen years ending with 1907.

A RECORD OF WONDERFUL PROGRESS.

In 1879 the Metropolitan was toward the rear of the insurance army. During that year there were thirty-two companies operating in the State of New York, and the Metropolitan stood number thirty-one in amount written, number twenty-three in total income, and number twenty-two in amount of insurance in force. Of the thirty-two companies alluded to above four have since dropped from the list, and eight new ones have been added, so that there were thirty-six companies authorized to do business in the State in 1907. Many of these companies were strong institutions in 1879, with agencies firmly established, and doing a thriving business. There were giants among them even at that early day. He would have been a bold prophet who at that time would have predicted that in fifteen short years this modest company would force itself ahead, and occupy the very first position with respect to insurance written, and the fourth with respect to income and amount of insurance in force. Yet these were the respective positions of the Metropolitan as far back as 1894, and maintained each successive year with respect to insurance written, and it now occupies second place with respect to insurance in force.

It will be observed that at the end of 1882 the total amount was actually less than at the end of 1876, but when the end of the next period of six years was reached we find the assets to have increased more than threefold—amounting to $6,287,781.35 at the end of 1888, and the annual increase since then has been phenomenally rapid, reaching the magnificent sum of $198,320,463.23 at the end of 1907.

Year.	Assets.	Surplus.	Total Claims Paid.
1870	$833,914.19	$105,946.72	$56,770.00
1875	1,954,275.99	232,484.06	288,556.18
1880	1,947,821.79	359,434.46	285,368.53
1885	2,784,954.01	706,382.41	1,287,765.13
1890	10,781,173.01	2,117,029.11	3,751,522.38
1895	25,592,003.78	4,477,030.71	6,580,389.84
1900	62,158,034.33	8,744,027.91	9,799,124.21
1905	151,663,477.29	16,190,245.96	15,395,043.43
*1907	198,320,463.23	†13,951,899.14	18,233,369.58

* The official report for 1907 will not be available for some months.

† The decrease in surplus at the end of 1907 was caused by the temporary depreciation in the market value of stocks and bonds shown by the quotations on the last day of the year, custom having established that day's quotations as the basis of valuation of the assets of insurance companies.

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President Kingsley Abroad—The New York Life a World Company.

President Darwin P. Kingsley arrives today from his visit to the European departments of the New York Life insurance company. On the occasion of his meeting at Paris the representatives of the company in France he spoke of the world wide work of the company, and particularly of its position in Europe at the present time. He said:

Thirty-eight years of just and honorable living entitle a man and entitle an institution to a good reputation, and I think I do not overstate the fact in claiming that the New York Life has deserved and has in France a reputation which is second to none. * *

This meeting tonight practically completes a trip which was planned in order that I might acquire a kind of information which I never could otherwise become possessed of. I wanted to see not only the extent of the company's organization, but its quality. I wanted to see and know of what fibre it was made, how it ranked in the country where it might be domiciled; and so I have been to Spain and Italy, to Hungary and Austria, all through Russia and to Germany. I thought I understood adequately the honor which came to me a year ago today when the board chose me as the official head of the company. I had often referred to the institution in its international relations; I had always been an advocate, generally speaking, of its foreign business; but now that I have substantially completed a journey through that part of the world where life insurance is most important, now that I have seen and know by direct and affirmative knowledge the position which the New York Life holds, I believe I have a truer understanding of the quality of the company's position in the world and of the extent and the importance of its opportunity. I am sure I have a deeper sense of obligation to the trustees who elected me, and to the policyholders who elected them. * *

These are the days when the organization must get into compact formation. * *

I am willing to rest our cause on the splendid usefulness of life insurance, its value to society, and the general fidelity with which its obligations have always been discharged. * *

So far as the agency organization is concerned we have retired from only two countries: over here from Portugal, because of conditions with which we could not comply, and over there from Texas, an important part of our home organization, where laws were passed worse than anything ever written on any statute book of Europe or covered in any ministerial decree. * * We shall remain in all the principal countries of Europe. We shall remain because we hold that the New York Life has no reason for existence unless it does the business for which it was chartered, and does it in accordance with the plans of the broadminded men who long ago planted its organization all over the civilized world.

We believe the New York Life ought to expand and grow. We believe that it is equipped as no other company is to do the high order of work in which we are engaged. We believe that the unforgivable offense is committed by the institution which squanders opportunity.

The question is: How shall the New York Life develop? How may it expand? How may its outstanding insurance of $2,000,000,000 become $4,000,000,000? There is only one way—that is by a larger, a stronger and a more perfect organization of its agency department. And how may men of the right type be secured? In only one way: they must be offered a career; they must be offered attractive opportunities; they must be able to see fair remuneration for honest work. What, then, shall we pay them? That is the great question. If we could expand our $2,000,000,000 of outstanding insurance until it became $4,000,000,000, and pay the agent only 10 per cent. of the premium, it would be our duty to do it. But that cannot be done. If we could accomplish that great purpose and pay only 20 per cent. commission it would be our duty to do it. But such a program is impossible. If we could accomplish that purpose and pay 40 per cent. of the first year's premium it would be our duty to do it. But the experience of three-quarters of a century shows that it cannot be done. The great thing is to do it—do it, exercising at the same time wise economy with full publicity.

Life insurance is of such serious importance to society and to the state that, whatever it costs, when honestly done, and within the provision for cost, it is worth. The state should see that it is honestly done; should insist on national publicity. But the real aim of legislation should be to encourage a larger production. Instead of destroying great agency plants and undertaking the details of administration, the state would be better employed in discussing the revocation of the charters of certain companies which have dawdled away the years and frittered away opportunity.

I have found all over Europe the friendliest feeling toward America. I have found more than that: I have found in all classes, from prime ministers to porters, not only friendliness but hopefulness. America is still the land of opportunity, and the world still maintains the romantic interest that goes with such an attitude.

Opportunity: that expresses it. A profound appreciation of opportunity explains the noble proportions of our company.

I hold, therefore, that the New York Life is more than a mere corporation doing a given line of business. To everything which it does attaches the responsibility that is inseparable from every great social force. We have advanced into a larger world where we must met new and larger responsibilities—a world in which the company is yet to perform its finest service.

SVEA

Fire and Life Ins. Co., Ltd.

OF GOTHENBURG, SWEDEN

U. S. ASSETS, $1,031,186.52

New York Branch, 29-31 Liberty St., New York

MORRIS L. DUNCAN
United States Manager

Northern Assurance Company,
OF LONDON, ENGLAND.
EASTERN AND SOUTHERN DEPARTMENTS,
38 PINE STREET, NEW YORK.
GEORGE W. BABB, Jr., Manager. T. A. RALSTON, Sub-Manager.

WANTED
BY
The Manhattan Life
Insurance Co.

Live, energetic men for some excellent territory. Exclusive and liberal contracts will be made with the proper parties.

The Armstrong Committee found no questionable methods in The Manhattan Life Insurance Company.

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SUBURBAN AGENTS WANTED

The Philadelphia Underwriters, of Philadelphia.
Austin Fire Insurance Co. of Dallas, Texas.
Commonwealth Fire Insurance Co. of Texas, Dallas, Texas.

Acceptable business in the Territory of the New York Suburban Association will be written by

WHILDEN & HANCOCK, General Agents

3d Floor — Royal Insurance Building, 34 William Street, New York

Insurance Co. of North America,

232 WALNUT STREET, PHILADELPHIA.
FOUNDED 1792.

Assets, January 1, 1907		$10,748,864
LIABILITIES—Reserved for Reinsurance and all other claims	$6,703,870	
Capital Stock	3,000,000	
Surplus over all Liabilities	1,042,994	$10,748,864

Agents in all the principal towns and cities.

CHARLES PLATT, President.
EUGENE L. ELLISON, Vice-President.
BENJAMIN RUSH, Second Vice-President.
GREVILLE E. FRYER, Secretary and Treasurer.
T. HOUARD WRIGHT, Assistant Secretary.
HENRY W. FARNUM, Marine Secretary.
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Renovators of Fire and Marine Salvages

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Stocks handled at lowest percentage consistent with proper results, accompanied always with Cash Guarantee. Our methods fortify adjusters in advance of closing loss.
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ARE EASIEST TO SELL

BECAUSE

Yearly dividends have been increased for the last three years, 1906-7-8, at a rate equalled by no other company.
Cash values guaranteed in the new life and endowment policies, are equalled by few companies, and excelled by none.
Attractive features have been added to standard policy forms.
Liberal terms offered producing agents under the 1908 contracts.

For information, address

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Second Vice-President
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Accident — INSURANCE — Health

CONTINENTAL CASUALTY COMPANY

CHICAGO, ILLINOIS

The Largest Company in America Writing Accident and Health Insurance only

More and better forms of accident and health policies, issued separately or in combination, than are sold by any other company, including the latest popular winner

ANNUITY ACCIDENT INSURANCE

If not now representing an accident company, address:
H. G. B. ALEXANDER, President and General Manager.
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The Connecticut Mutual Life Insurance Company

Stands alone among the American companies of any note, in having repaid to its members, their beneficiaries and estates, in annuities, endowments, death claims, surrender values and dividends, more than it has received from them in premiums. These are the totals:

Received since organization—1846	$249,356,745.45
Repaid as above noted	253,641,382.54
Excess over amount received	4,284,637.09
Assets December 31, 1907	65,003,271.10
Surplus December 31, 1907	2,326,657.25
Insurance in force December 31, 1907	174,716,005.00

President, JOHN M. TAYLOR.

GEORGE FRANK SWEENEY

SURETY BONDS

Suite 30, Third Floor, Old Evening Post Bldg.
206 BROADWAY, Corner Fulton Street
Telephone: 8884 and 8885 Cortlandt.

GERMANIA

FIRE INSURANCE COMPANY
NEW YORK.
ORGANIZED 1859.

Cash Capital	$1,000,000.00
Assets	5,185,649.51
Net Surplus	949,260.99

HEAD OFFICE
Cor. William and Cedar Streets.

1825. THE 1908.

Pennsylvania Fire Insurance Co.

OF PHILADELPHIA.

Cash Capital	$750,000.00
Reinsurance and all Liabilities	4,096,833.14
Surplus	1,615,283.97
Total January 1, 1908	$6,462,117.11

R. DALE BENSON, Pres.
JOHN L. THOMSON, Vice-Pres.
W. GARDNER CROWELL, Sec.
CHARLES W. MERRILL, Asst. Sec.
HAMPTON L. WARNER, Asst. Sec.
WM. J. DAWSON, Sec. Agency Dtep.

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HOME OFFICE OF THE

Metropolitan Life Insurance Co.

INCORPORATED BY THE STATE OF NEW YORK

The Company OF the People, BY the People, FOR the People.

PROOF OF PUBLIC CONFIDENCE

This company has more premium paying business in force in the United States than any other Company, and for each of the last 14 years has had more New Insurances accepted and issued in America than any other Company.

The number of Policies in force is greater than that of any other Company in America, greater than all the Regular Life Insurance Companies put together (less one), and can only be appreciated by comparison. It is a greater number than the Combined Population of Greater York, Chicago, Philadelphia, Boston, St. Louis, Cleveland, Cincinnati and Milwaukee.

ASSETS.

United States, City and R. R. Bonds and Stocks	$81,500,727.38
Bonds and Mortgages	74,620,197.45
Real Estate	19,905,683.43
Cash	5,258,969.45
Demand Loans on Collateral	3,476,500.00
Loans to Policyholders	6,552,375.12
Prem. deferred and in course of collection (net)	4,772,106.25
Accrued Int., Rents, etc	2,233,904.15
Total	$198,320,463.23

LIABILITIES.

Reinsurance Fund and Special Reserves	$181,775,579.00
All other Liabilities	1,542,371.65
Capital and Surplus	18,951,899.14
Total	$198,320,463.23

Largest Office Building in the World—Madison Avenue, Fourth Avenue, 23d Street and 24th Street, New York City.

SIGNIFICANT FACTS

This Company's Policy-claims paid in 1907 averaged in number one for every 64 seconds of each business day of 8 hours each and in amount $124.95 a minute the year through.

THE DAILY AVERAGE OF THE COMPANY'S BUSINESS DURING 1907:

452 per day in number of Claims Paid.
6,891 per day in number of Policies placed and paid for.
$1,289,393.45 per day in New Insurance placed and paid for.
$162,489.27 per day in Payments to Policyholders and addition to Reserve.
$72,011.34 per day in Increase of Assets.

OFFICERS

JOHN R. HEGEMAN.....President
HALEY FISKE.....Vice President
GEORGE H. GASTON.....2d Vice President
GEORGE B. WOODWARD..3d Vice President
FRANK O. AYRES.....4th Vice President
JAMES M. CRAIG.....Actuary
FREDERICK H. ECKER.....Treasurer
WALTER STABLER.....Comptroller
JAMES S. ROBERTS.....Secretary
JOHN R. HEGEMAN, Jr.....Asst. Secretary
J. J. THOMPSON.....Assistant Secretary
T. R. RICHARDSON.....Assistant Secretary
F. F. TAYLOR.....Assistant Secretary
FREDERICK A. BETTS..Assistant Secretary
STEWART L. WOODFORD.....Counsel
THOMAS H. WILLARD, M. D..Med. Direct.
AUGUSTUS S. KNIGHT, M. D..Med. Direct.
W. S. MANNERS, M. D., Asst. Med. Director
E. M. HOLDEN, M. D...Asst. Med. Director
I. J. CAHEN.....Manager Ordinary Dept.

Paid to Policyholders since Organization, plus the Amount now invested for their Security, $407,462,482.06.
Number of Policies in Force, 9,620,009. Amount of Outstanding Insurance, $1,804,946,581.00.

In its Ordinary Department policies are issued for from $1,000 to $1,000,000 on individual lives, premiums payable annually, semi-annually and quarterly. In its Industrial Department policies are issued on all the insurable members of the family for weekly premiums.

Full particulars regarding the plans of the Metropolitan may be obtained at its Home Office, 1 Madison Ave., New York City, or of its Agents in all the principal cities of the United States and Canada.

THE

MUTUAL

Life Insurance Company of Boston, Mass.

Insurance in Force, December 31, 1907, Over $459,000,000

STEPHEN H. RHODES, President.

ROLAND O. LAMB, Vice-Pres.; ARNOLD A. RAND, 2d Vice-Pres.; ROBERT K. EATON, Sup't of Agencies; WALTON L. CROCKER, Secretary; WM. S. SMITH, Actuary; GEORGE L. STIMMEL, General Agent Metropolitan District.

St. Paul Building, New York.

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INSURANCE CO. OF NEW YORK

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AND HEALTH

OF THE MOST APPROVED FORMS

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ALONZO G. BROOKS, Ass't Sec'y

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FIRE INSURANCE AGENTS

CAN GET

LIBERAL COMMISSIONS

ON CASUALTY LINES

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National Life Insurance Co.

MONTPELIER, VERMONT.

Established in 1850. Operating in 36 States.

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JAMES T. PHELPS, Vice-President.
JAMES B. ESTEE, 2d Vice-President.
OSMAN D. CLARK, Secretary.
H. M. CUTLER, Treasurer.
A. B. BISBEE, Medical Director.
C. E. MOULTON, Actuary.
F. A. HOWLAND, Counsel.

This Company held January 1, 1908, and gained during the past decade:

ASSETS	$40,354,241.29	Gain, 172 per cent
SURPLUS	4,539,688.47	Gain, 149 per cent.
INSURANCE	153,467,472.00	Gain, 100 per cent.

Its life, term and endowment contracts are liberal and attractive.

J. F. MAKLEY, Gen. Mgr., 149 Broadway, New York, N. Y.
J. V. ALEXANDER, Gen. Mgr., 1134-36 Granite Bldg., Rochester, N. Y.
M. H. MULLENNEAUX, Manager, 119 State St., Albany, N. Y.
A. H. GSELLER, Manager, 9 Clinton St., Newark, N. J.

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[FIRE]
German American
Insurance Company
New York
STATEMENT JANUARY 1, 1908
CAPITAL
$1,500,000
RESERVED FOR ALL OTHER LIABILITIES
7,592,685
NET SURPLUS
4,415,353
ASSETS
13,508,038

SECURITY MUTUAL LIFE
Insurance Company
BINGHAMTON, N. Y.
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Life Underwriters desiring a policy contract that appeals to young men should write for particulars relative to our new Perfection Endowment; it is a winner.
For territory and terms address
C. H. JACKSON, Superintendent of Agencies,
Home Office.

THE Fidelity and
Casualty Company,
97-103 CEDAR STREET, NEW YORK CITY.

Assets, $7,537,429.91.
Capital and Surplus, $2,013,400.24.
Losses Paid to January 1, 1908, $26,629,131.90.

This Company grants Insurances as follows:
Bonds of Suretyship for persons in positions of trust.
Fidelity Bonds, Burglary, Plate Glass,
Steam Boiler, Flywheel, Employers',
Public, Teams, Workmen's Collective,
Elevator and General Liability;
Personal Accident, Health
Physicians' Liability and
Bonded Attorneys' List.

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HENRY CROSSLEY, Assistant Secretary.
FRANK E. LAW, Second Assistant Secretary.
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Insurance Office
OF LONDON
FOUNDED 1710
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171 LA SALLE ST., CHICAGO
PACIFIC DEPARTMENT:
N. E. Cor. Sansome and Sacramento Sts.
SAN FRANCISCO, CAL.

London Assurance Corporation,
CHARTERED A. D. 1720.
Surplus in United States January 1, 1907, $650,599.91.
CHAS. LYMAN CASE, Manager.
84 William Street. NEW YORK.

HANOVER
Fire Insurance Company,
OF NEW YORK.
Agencies in all the Principal Places in the United States.

THE LEADING FIRE COMPANY OF THE WORLD
ROYAL INSURANCE COMPANY LIMITED
[of Liverpool, England.]

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THE
PENN MUTUAL LIFE
OF PHILADELPHIA
HAS FURNISHED
PERFECT PROTECTION AT PROPER RATES
For 60 Years
Our agents are representative citizens of their respective communities.

Provident Life and Trust Co.
OF PHILADELPHIA.

The **new policies** of the Provident are unsurpassed for conciseness and simplicity of form and for adaptability and liberality in all essentials.

The premium rates of the Provident are exceedingly low and are still further reduced by large annual dividends.

Organized 1871
Life Insurance Company of Virginia
HOME OFFICE, RICHMOND, VIRGINIA
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T. WM. PEMBERTON, 1st Vice-Pres. W. L. T. ROGERSON, Secretary.
The PIONEER Southern Industrial Life Insurance Company.
The OLDEST Southern Life Insurance Company.
The LARGEST Southern Life Insurance Company.
The most approved forms of Life, Endowment and Industrial Policies issued on favorable terms.

Assets	OVER	$3,500,000.00
Insurance in force	OVER	$60,000,000.00
Total payments to policyholders since organization	OVER	$8,000,000.00

University Instruction
IN
FIRE INSURANCE and ACTUARIAL SCIENCE
EVENING CLASSES
NEW YORK UNIVERSITY
School of Commerce, Accounts and Finance
For complete information, address
H.W. LOUGH, JR., Secretary, 32 Waverley Place, New York City.
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CHARTERED 1866.
HARTFORD LIFE
Insurance Company of Connecticut
GEO. E. KEENEY, President.
ALL THAT IS BEST IN LIFE CONTRACTS
EITHER TO BUY OR SELL
$30,000,000 Paid Policyholders and their Beneficiaries.

QUEEN
Ins. Co. of America.
NEW YORK.

The Agricultural Insurance Company of Watertown, N. Y.
ESTABLISHED 1853.

Assets, January 1, 1908	$2,717,477.10
Total Liabilities, except Capital	1,705,859.80
Joint Stock Capital	500,000.00

FIREMENS
Insurance Company of Newark, N. J.
ORGANIZED 1855

CAPITAL,	$1,000,000.00
ASSETS,	4,701,068.80
SURPLUS TO POLICYHOLDERS,	3,148,371.45

DANIEL H. DUNHAM, Presfdent CHARLES COLYER, Vice-President
A. H. HASSINGER, Secretary

WHITON & MERGES, Agents, . . 73 William Street, New York
LEWIS & FREAR, Agents, . . . 145 Montague Street, Brooklyn
H. W. BEALS, Suburban Agent, . 76 William Street, New York

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The Weekly Underwriter:

AN INSURANCE NEWSPAPER.

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CHARLES A. JENNEY, President and Treasurer. L. ALEXANDER MACK, Secretary.

THE commissions question will undoubtedly be brought up by some of the Southern delegates in the meeting at St. Paul this week of the National Association of Local Fire Insurance Agents. The most that the association can do is to express an opinion, for any attempt to exercise legislative powers would be ineffective. The association should of all things avoid toward the companies the posture of trade unionism, into which a radical element is ever striving, apparently, to drive it. There is much reason to believe that a majority, if not all, of the companies are disposed to meet their agents, not only of the South but of all sections, in a harmonious discussion of a general readjustment of commissions. The underlying principle of any action, however, must be readjustment, not increase of expenses. It is quite possible to show that a commission of twenty-five per cent. will not net an agent in one locality more than a commission of fifteen per cent. will net an agent in another. The committee of nine representing the companies, which reported at the Atlantic City convention, went over this matter very thoroughly, and its conclusion was that Southern commissions under present conditions could not safely be increased. This does not touch the question of practically uniform commissions on the same classes of risks throughout the country, and here is an opening for comparison of views. The late president of the South Eastern Underwriters' Association, Mr. Dargan, proposes graded commissions with separation as a solution that will be acceptable to the companies. His explanatory letter is reprinted on another page. The St. Paul convention will do well to appoint a committee on conference with the companies.

IT appears that the enormous operations of London Lloyds outside of marine business have brought trouble to one of the groups of subscribers to it, and that something like a failure of the group to meet losses, principally by fire, has occurred. It has been the custom of one group to go to the assistance of another when in difficulty, so that the prestige of the institution for absolute solvency may be maintained, but it is obvious that there can be a limit to such co-operative effort, and in the instance just reported—that of a loss estimated at upward of two million dollars which cannot be paid out of the deposits on marine business—it appears to have been reached. Unless London Lloyds checks the reckless commitments at ruinous rates of its underwriters in the United States, the entire fabric is in danger of coming down with a crash. The same warning can be handed out to fire insurance seekers here, who are imperilling their protection against fire by putting faith in a form of business unsupervised by the government at home and uncontrolled by law in this country. What should be an American view of this business is set forth with appositeness by President Joyce of the National Surety Company in the following paragraph:

> The Lloyds of London for years have been extremely successful, but, as to all gamblers, reverses sooner or later are sure to come. That this aggregation of men are gambling in the most vicious form under the guise of doing an insurance business has been the opinion for years of the best insurance underwriters in the world. If any American company issued a bond guaranteeing the election of Mr. Bryan or Mr. Taft, or if any American company undertook to guarantee a racing association against loss from rainfall on the day of the races, or anyone from loss from fire, the perils of the sea or any other contingency of any character without any description of a risk in any form, what would be the estimate of the average American business man of such a company? The company would be regarded as a recklessly managed institution and no business would go to it with the assistance of such business men; nevertheless the same men will accept and pay for a policy from the Lloyds, about whose financial responsibility they know nothing, thereby assisting an aggregation of foreigners to transact an "underground" and illegal business, whose policies have no guarantee of any character excepting the individual name on the policies, the financial condition of which may be good or not, without any right of action of any kind against these "underwriters" in this country, thereby actually discriminating against American companies who invest their money in American securities, and who employ American labor whose bonds and policies are protected by American securities deposited with the Insurance Commissioner of the State where such companies are incorporated. The Insurance Department of the State of New York has recently been successfully active against a continuance of the operation of Lloyds in this State, threatening in one case criminal proceedings against solicitors.

That the attention of the New York State Insurance Department has been directed to the operations of the dealers in Lloyds fire and automobile policies in this State is timely, and there should be something done to restrain the business or make its character notorious to the public.

SEVERAL of the New York dailies started in this week to arouse public interest in the desire of Governor Hughes for re-election. These efforts consisted mainly in editorial statements that the people are surely for Hughes, and in the publication of communications to the same effect from personal or political friends of the Governor or from the "write-up-to-order" gentlemen of the editorial force. The *Evening Post* advocates calling a mass meeting to frighten the "bosses." Meanwhile the Republican party managers are sawing wood. They have ascertained that neither the President nor the candidate for President will assist the Governor in his aspirations, and they are taking measure of the strength of the sentiment in the party which will not vote for him. That there is some sentiment of that kind the organs of Mr. Hughes admit, but they claim that it will be overborne by the vote of independent Democrats who admire the Governor for his sturdy executive qualities and independence of the party machinery. But could that vote be held if the opposition nominated a candidate of the type of Alton B. Parker or Martin W. Littleton? It is the business of the profes-

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sional party managers to study these points, and their opinion of the availability of a candidate is of more value that that of the unprofessional partisan of any particular man. There is a factor in the problem that none of the editorial advocates of Mr. Hughes have yet ventured to notice. The insurance vote must be reckoned with—that is, the vote of the citizens interested in the life insurance business and the army of life insurance policyholders in the State whose rights they conserve and whose ears they possess. This element in New York is large enough to decide any State election moderately close. It is not opposed to Mr. Hughes because it does not—in common with other elements—recognize his incorruptible character and integrity of purpose, but because it knows that so long as he is Governor insurance is hopelessly bound by the fetters of improvident and destructive legislation. He cannot see his mistake and he will not accept the counsel of others manifestly better qualified than himself to judge of the results of the insurance lawmaking of 1906. To vote for him is to postpone indefinitely the relief from intolerable burdens so far as he can prevent it. This, we believe, is the very general feeling among life insurance men in New York, and it must be taken into account by those party officials whose business is to secure the election of their party candidates. The conviction is opportunely voiced this week by the president of the New York Life insurance company in his homecoming address to its field force. Mr. Kingsley always has the courage of his convictions, and, unawed by present or prospective power in the Executive, he says that he feels "some degree of compassion for the small minded men who, in the exercise of a little brief authority, and under a leadership whose knowledge can hardly be called broad or sympathetic, lately struck a paralyzing blow at an institution which has done as much as any other, of any kind, to widen the reach of human sympathy and increase the sum of human comfort."

Facts and Opinions.

The negotiations for the transfer of the control of the stock of the **Provident Savings Life Assurance Society** from the banking interests to the Inter-Southern Life insurance company of Louisville, Ky., were not completed this week on account, presumably, of the inability of the latter to comply with the requirements of the New York law, which makes it necessary that the purchasing company shall be licensed to transact business in the State. The representatives of the company were busy at the department at Albany during the week, however, seeking to satisfy Superintendent Kelsey of its solvency, and in this they were assisted by Insurance Commissioner Bell, of Kentucky, who went to Albany for the purpose. Meanwhile a committee of policyholders has been organized, headed by United States Senator Guggenheim, of Colorado; Insurance Commissioner Rittenhouse, Actuary S. H. Wolfe, E. R. Tillinghast, formerly agency superintendent of the company, and others, to prevent the deal with the Louisville company by legal means if possible. They claim that the proposed purchaser is not trustworthy. The views of protesting Colorado policyholders are voiced through the Denver *Republican* in the following statement:

It is ridiculous that these stockholders should consider for a moment that their rights to sell to an unsound company are above the rights of the policyholders. We have millions involved where they have hundreds. Further, if the company is turned over to a concern not able to handle it, it is not rich men who will lose but thousands of widows and children who will be made destitute. We certainly do not propose to allow such a condition of affairs to stand for an instant if we can prevent it.

Superintendent Kelsey had not taken action on the application of the Louisville company for admission to New York late yesterday afternoon. A report prevailed that Governor Hughes had communicated with him on the subject. The following statement on behalf of the Inter-Southern Life has been sent us:

In connection with the plan for the purchase of the control of the Provident Savings Life by the new Inter-Southern Life of Louisville it is announced that a complete change in management will take place in the latter company if the deal goes through. The capital has been increased to $200,000, with $150,000 surplus, and the interests which furnished the new capital will be given complete control. It is pointed out that the Kentucky law on valuations of life insurance policies is much less drastic than that prevailing in New York, and if the Provident Savings business is transferred to Kentucky control a revaluation on the Kentucky standard would release nearly $250,000 in favor of the company. This, with the increase in the value of the assets, would remove the impairment and permit the company to resume writing new business.

Plans for the **sixty-two story structure of the Equitable Life Assurance Society** in New York, filed with the Building Department June 29, were approved by Building Superintendent Murphy on Thursday. He said that the proposed edifice would conform to all requirements of the code and that no exigencies of public policy forbade its construction. As the giant skyscraper would exceed anything that had come under the supervision of the department, the plans had been referred to James P. Whiskeman, of Cornell University; Max Feldman, a Columbia School of Mines graduate, both of Chief Engineer Roth's division, and to William J. Dolan, of the department's sanitary engineers. The architects, D. H. Burnham & Co., of Chicago, sent here an architect and a sanitary engineer to confer with the department experts. The following are the details of construction:

To meet improvements suggested by the examiners twelve additional drawings were submitted by the Chicago men. Then the plans were approved, with the agreement that the wind bracing of the lofty structure shall be greater than at first provided, that additional staircases shall be installed, and that each double line of stairs shall be enclosed in fireproof partitions, fitted with iron doors. The additional stairs, partitions and doors will take the place of outside fire escapes. The structure will cover the entire block bounded by Broadway, Pine, Cedar and Nassau streets, Its floors will be in the segmental fireproof arch pattern of steel and iron, filled with concrete and other fireproofing. An auxiliary fire apparatus will provide standpipes from cellar to roof, with exterior Siamese connections. Each floor will have a line of hose with nozzles, wrenches, fire axes and fire fighting apparatus readily accessible. At least one elevator will be kept in readiness for the use of firemen both night and day. A separate water supply plant will connect with the standpipes so that use of the fire hose will not affect the regular water supply, which will come from city mains. It will be stored in two steel tanks, each 10 feet high and 13 feet in diameter, one on the thirty-fourth floor and one on the roof. An auxiliary filtering plant will purify all water for tenants. The plumbing plant will be the largest in the world. It will provide nine large house sewers, nine house drains, six lines of soil pipes, twenty-four lines of waste pipes with sewage ejectors, twenty-eight lines of vent pipes, seven separate inlets for fresh air—literally miles of piping.

After printing the text of the **New York Anti-Twisting Law,** the *Insurance Field* comments upon it as follows:

The capacity of such a law to cause trouble is unlimited. The whole question revolves around what is "misrepresentation." If the enthusiastic representation by a salesman in the forms of printed circulars, advertisements or other statements that a certain new policy just devised by his company "is the best ever," having advantages in options, dividends, etc., over all competitors, is construed to be a misrepresentation, then how is a salesman going to push his goods? Every earnest agent is prepared to show and prove to you that his company is on the whole the best for you. The more he believes that and convinces others the better agent he is. If he can't estimate the future advantages of his policy how is he going to sell in competition? By dumbly exhibiting his policy and pointing to it? The finish of the agency system would soon follow. Of course if any agent or any person in any transaction involving pecuniary profit to himself makes such fraudulent misrepresentation to another as result in loss to that other, the good old statute defining "obtaining money or anything of value by false pretense and misrepresentation" applies, whether it be life insurance or sugar. It seems to be sufficient. Every time a State law is

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enacted for the purpose of suppressing crime or abuses it ought to be drawn so as to make the criminal or wrongful intent alone punishable as in all other sound laws. It is the minority of men who resort to questionable and dishonest means to get on in business. For the overzealous or ignorant excess enthusiasm that springs up in competition the world is generally prepared, and is not deceived by it. Many honest men, concentrated upon their own affairs and the advantages they offer, misrepresent and exaggerate them in perfect good faith because they believe implicitly what they preach. The world can't be revolutionized in its human nature by ten cent legislation. Only experience, education and knowledge can correct many evils. It will be worth while to see what the New York courts will say about this law.

In the opinion of a well informed general agent of **Portland, Me.**, whose views are given in the *Journal of Commerce*, it is the **inadequate water supply** that is responsible for the series of fires in that municipality. He advocates calling the attention of the insurance companies to this feature of the fire fighting equipment of the city, and backs up the report of the engineers of the National Board of Fire Underwriters made a few months ago. Portland people, he says, desire to have the change made, but owing to the large city debt it is hard to figure out the financial support for the project. The water supply of Sebago Lake, 14 miles above the city, is almost a small inland sea, but owing to the large extent of cement pipe used, which cannot withstand a heavy pressure, the pumping station hesitates to turn in water with force enough for fire fighting purposes. He says regarding the matter:

My own idea over this matter is that on account of the special conditions that exist here the Exchange should promulgate at once a heavy percentage increase on all risks that are supposedly protected by the Portland water system, and that they should have stamped on every policy carrying this advanced rate a rider stating the reason why the rate is so materially advanced. Only in this way do I believe the real condition can be brought before the rank and file of the property owners of the city, and sufficient public sentiment be aroused to overcome the short sighted opposition of certain of the heavier taxpayers. The property loss in the city of Portland alone since the first of January is, as nearly as I can determine, a little greater than the premium income received by the companies from the whole State of Maine for the year 1907.

An appreciation of Frederick Lord Cutting, late Insurance Commissioner of Massachusetts, from the pen of his successor, Commissioner Hardison, appears in the newly issued fire insurance report of the department. The writer says:

During these ten years the present Insurance Commissioner, serving as deputy, was very intimately associated with him, and the longer the acquaintance the deeper was his regard for the sterling qualities of his chief. Mr. Cutting was positive, earnest and honest. His purpose to hold himself and the Massachusetts Insurance Department above suspicion was achieved. While there were perhaps many who were ready to criticise the head of the department they never voiced a suspicion that Mr. Cutting was ever actuated in his dealings by sordid or dishonest motives. While he was sensitive to criticism, he well knew, as must be evident to all upon consideration, that no one can possibly do his duty in such a position without thwarting the purposes or disappointing the hopes of many persons who ignorantly or wilfully are engaged in practices that are not in harmony with public interest. Such persons, whether in high or low position, Mr. Cutting did not hesitate to encounter whenever they were discovered trespassing within his jurisdiction as commissioner. There were some warm contests which it is not now necessary to recall. In them all, when the final adjudication came by the highest tribunal of the Commonwealth, he was upheld. But he was not merely an honest and able commissioner—he was a man whom it was a pleasure to know and to associate with. His sympathies were deep and strong; his affection for his family and friends most tender. Could he have been spared after his retirement from office for a few years of leisure, it would have seemed a fitting reward for many years of faithful service, but it was not to be. His resignation took effect November 30, 1907, and he died on the 7th of January following.

The **fire hazard at Lawrence, Mass.**, is the subject of the recent investigation of the engineers of the Committee on Fire Prevention of the National Board of Fire Underwriters, and their report discusses conditions there as rather favorable. The report states that there is a chance of a minor conflagration in the mercantile district, but that a general conflagration is not believed probable owing to the good water supply and the efficient fire department. The congested parts of the large frame minor mercantile and tenement districts present a high conflagration hazard, and seriously expose the principal mercantile district. The mill buildings were generally of mill construction, with appropriate fire protection features. The water supply is taken from the Merrimac River, and the system is owned by the municipality. The hydrants are characterized as being in only fair condition and of hardly satisfactory type, though well spaced. The fire department is one-third full paid, but there are too few paid members. The discipline is good and the service as a whole efficient. The fire alarm system is automatic, but insecurely housed, and the apparatus at headquarters is entirely inadequate. The boxes are old and of the interference type, and have brush break contacts. There are no red lights to indicate the location of boxes, and the telephone facilities are inadequate. The system as a whole is characterized as unreliable, but will be greatly improved if the suggestions of the chief are carried out.

A special meeting of the executive committee of the **Fire Underwriters' Uniformity Association** was held at Boston on Wednesday with full attendance. The following committees were appointed:

Standard Automatic Sprinkler Grading Schedule—F. E. MacKnight, chairman; E. P. Boone, E. B. Creighton, W. D. Matthews, W. G. Sanderson, F. J. MacFadden, C. H. Patton, W. S. Wensley and E. T. Cairns.

Standard Sprinkler Supervisory System Report and A. D. T. Watchman Report—Geo. W. Cleveland, chairman; W. D. Matthews, F. E. Cabot, W. G. Sanderson and W. J. Frederick.

Standard Use and Occupancy Uniform Report—Gorham Dana, chairman; W. S. Wensley and A. G. Patton.

Standard Fireproof Construction Report—A. P. Stradling, chairman; I. G. Hoagland, H. C. Henley, E. T. Cairns and H. J. Thayer.

Standard Car Barn Uniform Report—Gorham Dana, chairman; Bruce Loomis, E. R. Townsend, H. R. Markel, A. M. Schoen, M. F. Jones and C. H. Patton.

Standard Uniform Town Classification Report—E. R. Townsend, E. B. Creighton, Benj. Richards, F. E. MacKnight, M. D. Pierce, W. F. Mallalieu and J. E. Curtis.

Large editions of universal key and plan notations and uniform town reports were ordered printed, to be sent to members of the association and insurance companies throughout the United States. Other important work was laid out for the ensuing year. The following members were elected: Philadelphia Board of Fire Underwriters and Buffalo Association of Fire Underwriters.

A correspondent of the New York *Times* picks a hole in the **Massachusetts savings bank plan of life insurance,** which threatens to give its advocates a good deal of trouble when they come to explaining. He says of an article on the subject in that paper:

In that article you say that the cost of $500 insurance is $15.60 per year, which includes an annuity, after the age of sixty-five, of $100. Inasmuch as the State pays all the expenses of officers, such as actuaries, furnishes blanks and books, and leaves the bank little else than holding the money, it would seem that the expense loading would be wholly unnecessary. By analyzing these figures I find that the net cost of insurance at the age mentioned is $7.11 for $500; the net cost for a deferred annuity to be given at age sixty-five (3½ per cent. American experience) is $6.74 per year. It would seem, therefore, that they have a loading for contingencies of $1.65, or something over 11 per cent. of the net premium. This is as much as any non-participating company which pays its own expenses would charge, and at the expiration of age sixty-five, in addition to the $100, the life insurance company would return to the assured $265, the reserve upon his policy of $500. It seems from your statement that the savings bank keeps that money. If you have quoted the rates correctly it looks like a very good thing for the savings bank, as any life insurance company would return over $200 to the assured at the expiration of forty years.

The estimated **loss by fire in the United States and Canada** in the month of July, according to the compiler of the

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Journal of Commerce, was $15,323,750. The comparison of losses of 1906, 1907 and 1908 in the first seven months of each year is as follows:

	1906.	1907.	1908.
January	$17,723,800	$24,064,900	$29,582,000
February	18,249,350	19,876,600	18,489,700
March	18,727,750	20,559,700	16,723,300
April	292,501,150	21,925,900	26,009,000
May	16,512,850	16,286,300	15,181,150
June	13,950,650	14,765,000	19,512,000
July	12,428,050	18,240,150	15,323,750
Total	$390,093,600	$135,718,550	$141,481,500

The loss by the Boston railroad piers and elevator fire is reported at $1,500,000. The *Journal of Commerce* says:

Fire underwriters are complaining very much regarding the fire losses so far this year. The excess shown in our statistics does not represent fully the increase in loss to the underwriters because the heavy losses this year have involved fully insured property more generally than in 1907. However, the fire insurance companies are somewhat helped out by the advance in security values, which has been a life preserver for several fire underwriting institutions.

The feat of the agents of the New York Life insurance company in turning in $28,000,000 of new business in the month of July has induced the statistician of the company to compile a **Roster of Notable Achievements,** which is as follows:

Name of Contest.	Period.	Total Production in Applications.	Number of Agents in Domestic Field.
"Thirty-five Stars"	30 days, Oct., 1892.	$25,000,000	5,000
"Perkins' Convention"	6 weeks, July 1 to Aug. 15, 1897	26,000,000	4,300
"Perkins' Welcome Home"	5 weeks, Nov. 13 to Dec. 16, 1899	38,000,000	7,000
"Compliment to President McCall"	30 days, June 11 to July 11, 1903	48,000,000	9,300
"Buckner Welcome Home"	6 weeks, June 27 to Aug. 8, 1904	67,000,000	7,500
"Sixtieth Jubilee"	11 weeks, Jan. 1 to March 15, 1905	96,000,000	6,500
"Compliment to President Kingsley on His Election"	31 days, July, 1907.	21,000,000	3,700
"Compliment to President Kingsley on His First Anniversary"	31 days, July, 1908.	28,000,000	3,500

The **high pressure salt water system** recently installed in **Boston** was proved a complete success at a test held a few days ago. The water is brought from the harbor through about one mile of extra thick 12 inch main. The fireboat pumped 6,000 gallons a minute. The best results were obtained by the fire department with what is known as the "deluge set." Four lines of hose were attached to one 3 inch nozzle, and the result was a great stream, estimated by the chief to be running about 3,000 gallons per minute. A reduced nozzle was tried on the same four line combination with good results. Other tests were made with a water tower with four lines and a 2 inch nozzle, which threw about 2,000 gallons, going higher than a nearby seven story building, and three lines on each of three salt water hydrants near together on Congress street threw nine streams with a power fully equal to that of one of the horseless engines.

The **Federal Union insurance company of Chicago** received on Tuesday its charter from the Illinois Insurance Department, and will begin business immediately. Its capital is $100,000 and paid-up surplus $50,000, which is to be doubled in a short time. It is the intention to write fire insurance along legitimate lines, marine insurance on the Great Lakes and insurance on yachts and launches. Immediate application for admission to Ohio and Michigan will be made, and before the end of the year it is intended to enter also Wisconsin, Minnesota and Indiana. The stockholders and directors are to a considerable extent derived from among the underwriters of the Federal Lloyds, which ceased writing fire insurance business April 1. The officers are: V. F. Mashek, president; W. H. Teare and M. F. Rittenhouse, vice presidents; T. L. Osborn, treasurer; F. H. Osborn, secretary.

The New York *Times* has reached the conclusion that **"elections are almost useless** to control life insurance matters, for the subjects are altogether too technical to be grasped by the average policyholder with any such attention as he will give the matter," and it adds:

In Wisconsin worse things happened than mere neglect. The postage paid envelopes for ballots were used for remitting premiums. The policyholders really should not have done that, but as nobody had authority to open the ballot envelopes premium payments are endangered, and of course the policies may fall from their good standing. As the law forbade mailing any instructions with the ballots, it is reckoned that about a quarter are invalid for informality. And the election was entirely uncontested there being but one ticket in the field, and no reason for two. It is said that the law will be amended, although it has only just gone into effect. Perhaps the Legislature did not show high intelligence in its enactment. Perhaps the policyholders did not show high intelligence in their action under the law. Perhaps both were to blame. The good done is not apparent on any theory.

An interesting problem arises out of the death in an automobile accident of Charles Sherman King, financial agent for the Prudential Life at Fort Wayne, Ind., with all the members of his family. Mr. King carried $21,000 of insurance, of which $7,000 was with the Prudential. $5,000 with the State Life, $2,000 with the Phœnix Mutual Life, $5,000 with the Preferred Accident and $2,000 with the Standard Accident. The **question of inheritance** depends upon which of the parents died first, eye witnesses claiming that Mrs. King survived her husband a few minutes, and that one of the two daughters lived a trifle longer than her mother. In this case the inheritance would pass from the father's family to that of the mother. The point is similar to that involved in the division of the millions of the Fair estate, both husband and wife being killed in the same automobile accident in France.

There is much talk in local Democratic circles of **William B. Ellison,** former corporation counsel of New York, as the next Democratic candidate for Governor of the State of New York. Mr. Ellison made a very effective public official, and the reasons why he and Mayor McClellan could not agree are duly set forth in a pamphlet, a copy of which has kindly been sent to us. The New York *Telegraph*, the Tammany organ, is out with a strong article in favor of Mr. Ellison for Governor. It will be recalled that he has frequently been counsel for insurance companies in important litigation, and it may therefore be presumed that he is thoroughly acquainted with insurance interests, and would be well regarded as a candidate by insurance people, particularly if Mr. Hughes also becomes a candidate.

The executive council of the **Modern Woodmen of America** at its July meeting decided to withdraw at once from the National Fraternal Congress, and will send no representative to the Put-in-Bay convention. It asserts that the Fraternal Congress has wandered so far from the purposes for which it was organized that membership is no longer desirable. It is believed that the present attitude of the Fraternal Congress in favor of adequate rates is responsible for this withdrawal of its largest member. The recent head camp of the organization ignored the rate readjustment question, but provided that in case any State passed a law requiring an increase in rates, which is regarded as very probable, the Head Consul may convene the head camp in special session to take necessary action.

Having conducted an investigation of fire insurance conditions in the **Canadian Northwest,** the **Springfield Fire and Marine** has applied for permission to do business in Canada. Negotiations are in progress for the purchase of the necessary bonds for deposit for the protection of the Canadian

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policyholders as required by law. The provinces of Alberta, Saskatchewan and Manitoba and that part of Ontario running from Manitoba to Port Arthur will be handled by the Western department of the Springfield, and all agents will report direct to Chicago. British Columbia will be under the jurisdiction of Manager Dornin at San Francisco, and the desirable sections of eastern Canada will be handled from the home office.

The **West Coast Life** insurance company of San Francisco, doing an industrial business in Colorado, applied to the United States Circuit Court at Denver for a writ of injunction restraining Insurance Commissioner Rittenhouse from revoking its license to transact business in the State, unless it maintains a surplus of at least $40,000. The contention of the commissioner was that the expenditures of the company exceeded its income last year by about $8,000 per month, and that so far this year the surplus has lost about $13,000 per month. The court on Monday sustained the commissioner and he revoked the company's license.

The highest bidder for the **business** of the **Great Western Life** of Kansas City is the Kansas City Life, which offered $300,000. Receiver Jobes has recommended the acceptance of this bid, and the Missouri Insurance Department has approved. The Federal court at Kansas City has postponed action on the reinsurance for two weeks. Other bidders were the Trans-Mississippi Life, which offered $285,000, and the Philadelphia Life, which was willing to pay $243,000. The latter company claimed that its bid would be better in the long run, as it offers 5½ per cent. on renewals.

The **fee paid to medical examiners** by the Northwestern National Life insurance company of Minneapolis has hitherto been $3. The company now makes the following announcement:

Believing that the importance of the medical examination cannot be overestimated in securing a careful selection of risks, and desiring only the most thorough and painstaking work in connection with each examination regardless of the amount of insurance applied for, it has been determined by our executive committee that hereafter a uniform fee of $5 will be paid for all medical examinations.

The *Insurance Press* of this week has an interesting article on **life insurances of the millionaire class,** from which it appears that 5,139 individuals in the United States are insured for $50,000 and upward. making over a half billion of dollars at risk on them. Ten persons carry upward of $1,000,000 each (the largest carrying $4,000,000); 55 carry $500,000 or more. Nearly 2,000 are insured for $100,000 and higher. New York city has 491 residents insured for $57,000,000; Philadelphia 184 for $33,000,000; Chicago 185 for $24,000,000.

The insurance loss by the **western Canada forest fires** is figured at Winnipeg at $500,000 on about $5,000,000 of damage. The companies involved are the Norwich Union, $75,000; London and Lancashire. $50,000; North British and Mercantile, $30,000; Sun of London, $25,000; Anglo-American, $25,000; Caledonian, $25,000; Royal, $25,000; British America, $20,000; Western of Toronto, $20,000; Commercial Union, $20,000; Phœnix of London, $15,000; Liverpool and London and Globe, $15,000.

Several members of the Underwriters' Association of Kansas City have been suspended for violating the rule **against multiple agencies.** Eighty companies doing business in Kansas City have sole agencies, but forty-nine have two each, while the Spring Garden has fourteen, the Firemen's of Newark seven, the Glens Falls six and Milwaukee Mechanics and National of Allegheny three each. Most of the recent agency appointments in Kansas City have been multiple.

The fire insurance companies which resisted payment of losses incurred at **Kingston, Jamaica,** on account of the earthquake, appealed from the decision against them in the lower courts of Jamaica to the Privy Council. This body has sustained the decision, and on Tuesday when the news was received from England the people of Kingston gaily decorated their houses and observed the occasion as a holiday. The insurance involved is $4,000,000.

The **Teutonia** of New Orleans has **absorbed** the **Germania insurance company** of that city. The offer of the Teutonia to pay $115 per share was accepted by the directors and undoubtedly will also be agreeable to the stockholders when they gather to consider the proposition on August 31. The absorption will become effective on September 1. Secretary E. J. Heintz, of the Germania, will become a general agent of the Teutonia.

The loss on the **Duluth elevator** has been settled. On building with general form insurance of $1,087,000, covering several houses, the loss paid was $175,770, or about 16 per cent. of the insurance. On the contents, with insurance of $508,500, the loss was settled at $487,967, about 95 per cent. The companies take the grain, on which a salvage of from $30,000 to $50,000 is estimated, the first amount being guaranteed.

The freedom of the floor will be given to the insurance commissioners of all the States by the **National Fraternal Congress** at its annual meeting at Put-in-Bay August 17, 18 and 19 next. They will be invited to express their views upon the regulation and needs of fraternal life insurance. Among the insurance commissioners expecting to be present is the wide awake and ubiquitous representative of Colorado.

A permanent injunction against the **Central Life Securities Company** and the Mercantile Finance Company and their officers has been granted by Judge Kohlsaat in the United States Circuit Court at Chicago, preventing them from disposing of the assets of the two concerns, which are now in a receiver's hands. The receiver was also granted permission to collect on notes held as assets.

The fire insurance **loss ratio in New Mexico** continues to be abnormal, and a number of companies are considering withdrawing from the territory. The country has been suffering from a drought, which of itself has caused many fires, while the moral hazard has increased by the number of new settlers.

Following the death of **J. Irving Riddle,** Indiana State agent of the Phenix of Brooklyn, the agents in that State have been notified that F. W. Koeckert and Hudson Jones will continue to look after agency matters as special agents, and W. J. Wood will have charge of loss matters, as in the past.

According to statistics compiled at the Prefecture of Police in **Paris,** there were 1,786 **fires** in that city in 1907. Of these 117 were caused by the explosion of alcohol, ether or petrol; 130 by alcohol lamps; 102 by petroleum; 46 by leakage of gas and 38 by clothes being put to dry before a fire.

The directors of the **Fire Underwriters' Association of the Northwest** met in Chicago on Monday to complete arrange-

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ments for the annual meeting to be held October 7 and 8. Manager E. G. Richards, of the North British and Mercantile, has been secured for the annual address.

The United States office of the Atlas of London has presented its friends with copies of **"Atlas Reminiscent,"** the centennial volume from which we recently reprinted entertaining extracts. It is a charming little book, illustrated in colors and picturing quaint old scenes and people.

The **General Fire Extinguisher Company** is installing a sprinkler equipment in the car barn of the New York City Railway Company at Fiftieth street and Sixth avenue. The General is also laying out a system for the New York Theatre.

Agents of the **Druggists' Indemnity Company** of St. Louis, which is doing a mutual fire insurance business, with the limit of liability for each member placed at $10, have invaded Colorado, according to reports, and are soliciting business in that State.

The work of establishing the advisory rating bureau of the **Wisconsin Association of Fire Insurance Agents** has been begun by H. C. Griffing, who was appointed manager shortly after the recent annual meeting in Milwaukee.

Denver did not carry insurance on its new **Auditorium,** although the hazard was great during the Democratic national convention. It has now issued insurance, with the 50 per cent. coinsurance clause at a rate of 85 cents.

The **North River insurance company** has leased the building at 95 William street, New York, for a term of years, the building having recently been transfered to a corporation called The William Street Offices.

The American Fidelity of Montpelier, Vt., and Merchants Life and Casualty of Minneapolis have been licensed **to do business in Minnesota,** but the American Accident of Lincoln, Neb., has been refused a license.

The proceedings of the twelfth annual convention of the **National Fire Protection Association,** held in Chicago in May, in a volume of 221 pages, have been published by the secretary, W. H. Merrill.

Companies writing **hail insurance in the West** have had a comparatively favorable experience this season in Minnesota and the Dakotas, while losses have been heavy in Iowa, Kansas and Oklahoma.

Local agents at **Okmulgee, Okla.,** are charging up the **annual tax** of $25 assessed against each agent to their companies, which will not allow the charge, it being a violation of Western Union rules.

A New York Life agent, D. Rice Bullock, of Spokane, Wash., has announced his **candidacy** for the Republican nomination for **Insurance Commissioner of Washington.**

The business of British **marine insurance companies** in 1907 showed poor results. Six companies reported a deficit between their receipts and expenditures.

The stockholders of the **Southern Life of Fayetteville, N. C.,** at a meeting last week, decided to increase the company's capital from $160,000 to $500,000 and erect an office building.

The **Jakor insurance company** of Moscow has been admitted to New Jersey and New Hampshire to transact fire business only.

The firm of **W. L. Pettibone & Co.** has been appointed agent for the Falls City Fire of Spokane, Wash., for surplus lines.

Personal.

AGENCY APPOINTMENTS.

British America and Western of Toronto: W. A. Scherfe, of Fort Madison, Ia., special agent for Iowa.

German Alliance and Pelican: William Sohmer, agent for Manhattan and the Bronx.

Royal Exchange: Lawrence F. Lamping, State agent for Oregon, Washington and northern Idaho, with headquarters at Seattle; A. N. Hamilton, special agent for New Jersey, eastern Pennsylvania, Maryland and the District of Columbia.

Dr. Elias J. Marsh, chief medical director of the Mutual Life insurance company of New York, died on Monday at Paterson, N. J., from heart disease, aged seventy-three years. He served in the Civil War after graduating from the College of Physicians and Surgeons of New York, and during the last year of the war he was on General Sherman's staff. He was often referred to as "the man who stopped the war," for the reason that he conveyed the orders of General Grant to "stop firing" while Grant and Lee were having the conference which resulted in the termination of the conflict. In 1874 Dr. Marsh married Miss Sarah L. McCurdy, sister of Richard A. McCurdy, president of the Mutual Life. He retired from private practice a number of years ago to accept the position on the official staff of the Mutual Life.

Mr. Robert L. German, connected with the Ætna Indemnity, has been appointed manger of the burglary insurance department of the Massachusetts Bonding of Boston, to have charge of the Metropolitan district of New York. Frederick R. Sheppard, who formerly had charge of this department, has resigned to take a similar position with the London Guarantee and Accident.

Mr. S. H. Rhoades, formerly special agent for the Continental in Colorado, will be transferred to the Northwestern field, with headquarters at Spokane, covering Idaho, Wyoming and Washington. He succeeds W. C. Lloyds, who goes to the Western department in Chicago.

Mr. Willard K. Hill, formerly general agent of the United Firemen's of Philadelphia in New England, has been appointed associate special agent with Clayton K. Brooks for the London Assurance Corporation in the same territory. His headquarters will be in Boston.

Mr. Henry Bennett, manager of the office of the Mutual Life insurance company of New York in the City of Mexico, has been transferred to Havana as manager for the Republic of Cuba, succeeding Jerry J. Warren, resigned.

Mr. Thomas J. Hickey, from the New York city office of the Travelers of Hartford, has taken up his new duties as adjuster for the company's liability department at Atlanta, Ga., succeeding the late A. O. Wing.

Mr. John H. Griffith, recently Wisconsin special agent of the Western and British America, has been appointed special agent for the National American Fire of Chicago, which will soon be ready for business.

Mr. G. M. Stolp, senior member of the San Francisco general agency firm of G. M. Stolp & Son, representing the National Life of Vermont in California, died July 1 from the effects of a stroke of paralysis.

Mr. Thrasher Hall has retired from the Chicago firm of Hall, Mangson, Wampold & Smith, adjusters for the assured, and will resume adjusting for the companies.

Mr. Abram Coddington, former assistant secretary of the United States Fire of New York, died at Yonkers on Monday last, aged fifty-eight years.

Casualty and Surety Insurance.

Unusual accidents of the week are as follows: A nine year old boy was drowned while bathing when his trunks caught in a hidden barbed wire fence, which had sagged into the water; a boiler works employee, who was working on a flue which was being held off the ground by a cable, had the top of his head severed by the falling of the cable supporting the flue; a "hit the nigger in the head man" operating in a Connecticut town was badly hurt when a baseball pitcher threw a swift ball which lodged in his mouth, knocking out several teeth, and which had to be extricated by cutting away the ball; while chasing a baseball which had rolled foul, a player ran into a live wire and was electrocuted; falling from a bridge 40 feet above a rocky bit of shore along the Susque-

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hanna River, two men were badly injured; a salesman had a leg broken and was badly bruised by the bottom of the cab in which he was riding dropping out; when their boat was swept over a dam, two men who were fishing were drowned; plunging 1,000 feet down a cliff from the wagon road above, a Colorado miner was picked up with only a few bruises; a United States Senator attending a horse show was badly kicked by a prize stallion; a young aeronaut who was sailing 2,000 feet up in the air fell to the earth and was killed when his parachute collapsed; a chambermaid in resenting the advances of a traveling man slapped him in the face and was immediately attacked and bitten by the man's bulldog, which jumped to his master's assistance; a seven year old child was struck and badly hurt by a stone which a careless farmer threw at a cat; after suffering for a week, a sixteen year old boy, who was bitten on the face by a mosquito, died from his injuries; a horse attached to a milk wagon grabbed by the arm a woman who was passing and bit her severely; while auto racing on a London track, a car skidded and turned over in a pond, killing the mechanician and injuring the driver; a monster turtle nearly caused the death by drowning of a ten year old boy, who was pulled under the water by the turtle; in rescuing two little girls from death under the wheels of a trolley car, a twelve year old boy was himself run down by a truck; in crossing the railroad tracks in his hurry to reach a ball game, a man had his head severed by a switch engine; while fielding a high fly in a baseball game, a player stepped backward and falling into a quarry sustained a broken leg; his nightgown set on fire by matches with which he was playing, a boy was fatally burned; while walking in his sleep a sixty year old somnambulist fell down an open stairway and was killed; falling into a sand hopper in the yards of the Long Island Railroad at Sunnyside, a seventeen year old boy was smothered before he could be rescued; a child playing with moths flying about the window he was looking through, fell out and was picked up dead in the yard below.

A proposition made to the **Fidelity and Casualty** of New York by the New Jersey Bankers' Association that an arrangement be made whereby the fidelity and burglary business of the association's members be placed through the organization at a discount has been turned down by President Seward, who says in part:

It is the practice of this company to transact business with its patrons either directly or through its local managers or agents. This method has been successfully pursued for the last thirty years, and I see no good reason for departure therefrom, and for the adoption of the innovation suggested by the associations, which in effect amounts to a request to rebate to the associations 10 per cent. of the premiums on the business of their members in return for the endorsement of the company by the associations. In my opinion this is an artificial and undesirable way to conduct insurance business. There are now some twenty companies writing bankers' burglary insurance, and of this number only four or five deal through State bankers' associations. If the non-association companies were to reduce their rates to meet the rebate obtainable by the banks through the associations, would not the associations, in order to maintain a differential for their members, have to demand a further 10 per cent. reduction from the companies with which they have agreements? During the last ten years competition has been so active that the rates have steadily decreased until now they are so low that any further reduction will endanger the business and jeopardize the protection afforded the banks. It is immaterial whether a reduction is made in the form of lower rates, larger agency commissions, or rebates to bankers' associations. It would appear that the associations base their recommendations solely upon the willingness of companies to rebate a part of their premiums, entirely overlooking the difference in experience and financial strength between companies. Instead of recommending to their members companies which reduce their income and impair their strength in this way, the associations would in my opinion better fulfill their duties by calling attention to this unsound method of doing business, and to the possibility that the companies which depend on rebating to secure business may become impaired to such an extent as seriously to affect the value of their insurance.

Regarding **payments for septicemia** under an accident policy the current issue of the *Industrial Review* has some excellent observations which are reproduced below:

Accident insurance policies issued to physicians usually contain a septic infection clause; this clause paying indemnity when blood poisoning follows an infection accidentally received. In order that this indemnity may be payable under an accident policy, it is necessary that the infection be engrafted into the system in an accidental manner, and this means that an accident must occur to some part of a doctor's hands or fingers whereby the skin is broken and blood poisoning follows. If a finger is cut or pricked by an instrument and infection ensues, then the septic condition is accidentally contracted. An accident policy does not cover infection which enters the arm through an abrasion of the finger or hand which has occurred previous to the operation from which it is supposed the infection is contracted. In other words, unless a surgeon remembers or knows that some part of his hands or fingers was cut during the operation, he is not entitled to indemnity under an accident policy for septicemia, if that condition supervenes. This is well illustrated by a case which went to court. A claim was recently made on a company by a doctor alleging accidental injury to the eye because pus flew out of an abscess and lodged in the eye; the doctor claiming that it was an accident inasmuch as the pus accidentally got into his eye. In this case the company refused to pay the claim, and was sustained by court decisions. It was pointed out in these opinions that the doctor had no more claim under an accident policy because pus lodged on the mucous membrane of his eye than if it had settled on the skin of some part of the body and an infection followed. When an individual carries a general health policy in addition to the one covering accidental injuries, then under such a policy, if total disability ensues, indemnity would be payable by the company, but usually as soon as a physician ascertains that he has an infected finger or hand prompt measures are taken for its relief, and partial disability only ensues, thus eliminating any claim against a company for indemnity under an accident or health policy unless the infection was actually received through an injury which occurred at the time of the operation.

That State Treasurer Edwards, of Mississippi, **has it in for the surety companies** was demonstrated a few days ago when he made a statement that he will not deposit any of the State's money in a bank where the only sort of security offered is a surety bond. He explains his rather unusual position by the fact that, although the State depository law has been held constitutional by a majority of the court, the appointment of a new judge in a few months' time might again open the matter and make the Treasurer liable should the law be finally decided unconstitutional. He says that if he is ultimately forced to go against his opinion the loss, if any, should fall on those who have made it possible to get the State's public money without giving in return for it securities of a known commercial value, which might be realized on in case of need. The Mississippi State Treasurer must have forgotten all about the experience of a big Western State recently with a big surety company that paid up its bond like a man and assumed all troubles involved in the loss when he penned these foolish lines which follow:

I have absolutely no confidence at all in a surety bond. It is not collateral security, nor security of any sort. It possesses no commercial value, and is not regarded anywhere, by anybody, as having any value. The very best that can be said of a surety bond is that it is a "right of action," a right to sue. With the right to sue there necessarily goes hand in hand the right and the possibility of losing the suit—principal, interest and all. In addition to all of that surety companies seldom ever pay any sort of claim without first having worn the thing out in the State and Federal courts. They employ the very best lawyers to be had, who take advantage of every conceivable technicality in order to avoid liability, and to nullify the very purpose for which the bond was given.

Baltimore advices during the past week have been to the effect that the leading surety companies are conferring with one another with the ultimate end in view of agreeing upon some **uniform rating system for the surety bonding business.** It has also been hinted at that agents' commissions will come up for consideration in the matter of readjustment. On July 29 President Bland, of the United States Fidelity and Guaranty, entertained a number of prominent surety men at his home, and it is understood that the above matters were discussed at that time. Governor Warfield, of the Fidelity and

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Deposit, said at the close of this meeting that when plans are perfected it is the purpose of the organization to invite other surety companies to take part in the reinsurance of risks and the adoption of better methods to dignify and uplift the surety business. Those present at the conference were: Former Governor Warfield, president of the Fidelity and Deposit; F. W. Lafrentz, vice president of the American Surety Company; William B. Joyce, president of the National Surety; L. A. Watres, president of the Title Guaranty and Surety Company of Scranton; John R. Bland, president of the United States Fidelity and Guaranty, and George Cator, president of the American Bonding Company.

The **American Surety** of New York has filed a bill at Nashville, Tenn., seeking to recover a certain amount paid by the company to the State Treasury by virtue of the law requiring all insurance companies engaged in writing Tennessee business to pay a tax of 2½ per cent. of gross premiums. The American Surety claims in the papers filed that it is **not engaged** in the **business of insurance** within the meaning of the statutes of Tennessee. When the last semi-annual payment of the tax fell due the company, on paying, protested to the Insurance Commissioner, who was informed by the Attorney General that in his opinion the company was engaged in an insurance business. In case of a decision being handed down sustaining the surety company's position, it is believed that the Insurance Commissioner would attempt to have the law amended so as to cover companies writing this kind of business. At any rate the contention raised is an important one.

In the matter of the appeal of the Pacific Surety Company to the Supreme Court of Connecticut from judgment of $9,562.50 given against it in the Superior Court at New Haven, Conn., growing out of the acceptance by the American Surety Company of the bond of the **Pacific Surety Company** to indemnify the former on a **contract bond,** and for giving up collateral security in connection therewith, the Supreme Court of Connecticut on August 3, 1908, affirmed the judgment, except that it disallowed $1,271.25 of the interest recovered on the original judgment. As the American Surety Company has, therefore, remitted this amount of interest, which the court found excessive, the final judgment for the Pacific Surety Company to pay is $8,291.25, with interest from February 27, 1908.

The **Lloyds of London** in its invasion of the fidelity and burglary field has written three New York trust companies, the Standard, the Guaranty and the New York Trust, for $150,000, under a form of policy similar to that published in THE WEEKLY UNDERWRITER several weeks ago. The premium of $1,850 in each case covers burglary, embezzlement, theft and messenger hold-up features, which are not written by the stock companies in any one form. Of course separate policies to cover these contingencies might be obtained, but no reliable casualty company could afford to take chances on such an inclusive form. Is it any wonder that department managers feel sore?

The **New England field** of the **Norwich and London Accident** will be divided in two, with a special agent in charge of each part. The Western division, comprising western Massachusetts, excepting Worcester County, Conn., and Vermont, will be in charge of H. C. Buck, while the remainder, consisting of Massachusetts, Maine and New Hampshire, will be looked after by Arthur J. Weed. Rhode Island is to continue in charge of Leo F. Nadeau, of Providence. Mr. Buck is to locate in Hartford and Mr. Weed is to make his headquarters with Gilmour & Coolidge in Boston.

In 1907 there were 1,224 persons injured and 324 persons killed in **automobile accidents** in the United States. There were in use in the year, according to the *World Almanac,* 175,000 pleasure motors of various models and horse power, and 18,000 commercial motors, both gasoline and electric. A large part of these made trips every day of the year. With these figures in hand some actuary can calculate the chances of death or injury in taking a spin in an auto.

The **$225,000 bond** required of J. C. Robinson & Son, of Chicago, on the contract for building the superstructure and roof of the Roman Catholic **Cathedral at St. Louis,** has been written in the United Surety of Baltimore, through John McGillen & Co., Chicago general agents of that company. The amount of the contract is $900,000 and the rate is 30 cents on the amount of the contract for the term, eighteen months, making the premium $2,700.

A new kind of **railroad instalment insurance** has been issued by the General Accident. It differs from the commercial form of railroad instalment insurance in that the premiums are deducted from the payrolls once a month, and the death benefit is fixed at $100 for all occupations. There is also an increase in the indemnities paid on account of either sickness or accident. Under the commercial plan only accident is insured against.

Charged with representing himself as an employee of the **North American Accident** of Chicago, and with collecting **premiums** which were **never turned over** to the company, E. O. Desmond, alias Wilson, was arrested on Monday and locked up in the Tombs. Some trouble with policyholders as to premium payments resulted in the discovery of Desmond's actions. Many policyholders had receipts signed by him.

The offices of the **Anchor Casualty** of Milwaukee have been moved to Wausau, Wis., where the interests of the company have been purchased. The new officers of the company are: Neal Brown, president; Walter Alexander, vice president, and O. Anderson, secretary and treasurer, all of Wausau. The Anchor, which was organized at Neenah, Wis., recently moved to Milwaukee.

The New York city magistrates at a recent meeting resolved to **accept** the **bail bonds of the National Surety Company** in case of the arrest of automobilists for violation of the motor vehicle law. These bonds have been accepted by the police heretofore, and now the magistrates will accept them in all cases where automobilists are held to answer at Special Sessions.

The **Massachusetts Bonding** of Boston is offering its stockholders a new stock issue of $100,000 at $150, with the proviso that they waive their right to their pro rata basis in subscribing. This money, it is understood, will be used in buying out the business of a smaller company on which it has an option. The Massachusetts company has been admitted to Tennessee.

Total **defalcations** of $552,597 are reported by the Fidelity and Casualty for the month of June. Banks and trust companies contributed $102,664 to the total; beneficial associations, $4,401; public service, $144,566; general business, $72,925;

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insurance companies, $126,265; court trusts, $66,159; transportation companies, $4,428; miscellaneous, $31,189.

A French court has declared that the ordinary **accident policy** does **not cover automobile speeding** risks. The widow of a man killed while testing an automobile at high speed on the Evreux road claimed compensation under the accident policy, but the court decided that the risk was similar to those incurred in racing and dismissed the claim.

With the idea of placing the **solvency of surety companies** beyond question, Insurance Commissioner Rittenhouse, of Colorado, is engaged in preparing a new law for their regulation, which will be introduced at the next session of the Legislature there. A capital of $500,000 is believed to be the minimum that the new law will allow.

The **Sterling Casualty Company** of Columbia, S. C., is being organized by John Y. Garlington to do a general casualty business in the South. The capital of $300,000 is being raised by the Seminoles Security Company. The company hopes to be ready to write business about September 1.

One more company writing burglary insurance is expected to join the fold at the next meeting of the **Burglary Underwriters' Association.** The concerted action obtainable by this organization and the co-operation engendered are already having a beneficial effect on the business.

The **Commonwealth Casualty** of Philadelphia has declared a semi-annual dividend of 4 per cent. for the six months ending July 1.

Obituary.

Death of Edward W. Scott, Former President of the Provident Savings Life.

Edward W. Scott, president of the Provident Savings Life Assurance Society from December, 1896, to January, 1906, and previously one of the vice presidents of the Equitable Life Assurance Society, died suddenly from an attack of apoplexy at his home in Asbury Park, N. J., on last Sunday, August 2. He was for many years one of the most widely known and esteemed executives in the life insurance business, and particularly celebrated in connection with successful agency work.

He was a native of Lockport, N. Y., where he was born October 7, 1846. His first appointment in the insurance business was with the Equitable Life in 1872 in the office of the superintendent of agents, and his efficiency was so approved that two years later he was promoted to the head of the department. Here his constructive abilities were made apparent. In 1884 he was appointed third vice president, and in 1893 he became the foreign vice president. In the latter capacity Mr. Scott traveled almost continuously in foreign countries upon the company's business, and for some time sojourned in this connection in Australia.

In 1896 he was offered the presidency of the Provident Savings and accepted that position. When after nine years' service he resigned, in consequence of the acquirement of a majority of the stock of the company by Timothy L. Woodruff and his associates, he was made chairman of the board of directors. He retired from this position, however, some time ago. Mr. Scott was much beloved by a large circle of friends. He was president of the Colonial Club of New York in 1892-3. He leaves a wife and four sons, one of them being Dr. Edward A. Scott, of Asbury Park. The funeral services were held at that place on Wednesday.

Miscellany.

Program of the Annual Session of the National Convention of Insurance Commissioners at Detroit, August 25, 26 and 27.

The following is the official program of the thirty-ninth annual session of the National Convention of Insurance Commissioners, to be held at Detroit, Mich. (Hotel Pontchartrain), August 25, 26 and 27 forthcoming:

First Day, Tuesday, August 25.

MORNING SESSION.

Convention called to order by the president. Addresses of welcome, Governor Fred M. Warner, Mayor William B. Thompson. Response, Hon. B. F. Carroll, vice president. Annual address by the president, Hon. Reau E. Folk. Roll call.

AFTERNOON SESSION.

Report of committee on credentials. Appointments by the president to fill vacancies on committees.

Topic, "Should the Item of Accrued Taxes in Reports Be Treated as a Liability?" Addresses on this subject by Insurance Commissioner J. A. Hartigan, Minnesota; Insurance Commissioner B. F. Crouse, Maryland; Commissioner of Insurance Joseph Button, Virginia; Superintendent of Insurance Otto Kelsey, New York; Deputy Insurance Commissioner C. W. Fletcher, Massachusetts; Deputy Commissioner of Insurance M. O. Rowland, Michigan, and Insurance Commissioner C. C. Gray, Rhode Island, to be followed by general discussion.

Topic, "Amortization Plan of Valuing Fixed Term Securities and Proper Method of Valuation of Other Securities." Addresses on this subject by Superintendent of Insurance Otto Kelsey, New York; Insurance Commissioner F. H. Hardison, Massachusetts; Insurance Commissioner George H. Adams, New Hampshire; Insurance Commissioner S. W. Carr, Maine; Actuary J. J. Brinkerhoff, Illinois, to be followed by general discussion.

Topic, "Texas Investment Law." Address by Insurance Commissioner Thomas B. Love, Texas.

The evening will be given to committee meetings.

Second Day, Wednesday, August 26.

MORNING SESSION.

Report of committee on blanks. General discussion.

Report of committee on assets of insurance companies. General discussion.

Report of committee on unauthorized insurance. General discussion.

Report of committee on rates of mortality and interest. General discussion.

AFTERNOON SESSION.

Topic, "Departmental Practices."

(Under this head will be included any question submitted to the secretary in writing by any commissioner. This subject will include questions touching departmental practice as to examinations; as to impairment of capital; as to year end transactions; as to checking up and publishing reports; as to supervision over agents; as to rebating by life agents; as to complaints filed by citizens; as to companies which may write automobile hazards, etc.)

Round table discussion of this topic to be participated in by Commissioner of Insurance E. E. Rittenhouse, Colorado; Commissioner of Insurance James V. Barry, Michigan; Deputy Insurance Commissioner J. E. Green, Maryland; Deputy Commissioner of Insurance C. W. Fletcher, Massachusetts; Actuary S. E. Stilwell, Ohio; Insurance Commissioner George W. Marshall, Delaware; Insurance Commissioner Charles W. Bell, Kentucky; Insurance Commissioner T. M. Henry, Mississippi; Superintendent of Insurance Fred W. Potter, Illinois; State Auditor A. C. Sherr, West Virginia; Insurance Commissioner F. H. LeMaster, South Carolina; Secretary of State F. N. Julian, Alabama; Insurance Commissioner T. H. McComb, Oklahoma. Open discussion.

Topic, "Advisability of Adopting One Mortality Table and a Uniform Assumed Rate of Interest Throughout the United States, for Calculating Reserves on Life Insurance Policies." Address by Superintendent of Insurance Thomas E. Drake, Washington, D. C.

Topic, "Desirability of a Simplified Form of Standard Fire Insurance Policy." Addresses on this subject by Superintendent of Insurance C. C. Lemert, Ohio; Insurance Commissioner E. M. Wolf, California; Insurance Commissioner J. R. Young, North Carolina; Superintendent of Insurance W. D. Vandiver, Mis-

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souri; Auditor E. M. Searls, Nebraska; Assistant Secretary of State Eugene McGiveney, Louisiana, to be followed by general discussion.

Topic, "Advisability of Standard Provisions of Health and Accident Policies." Addresses on this subject by Insurance Commissioner T. H. McDonald, Connecticut; Deputy Commissioner of Insurance T. Leigh Thompson, Tennessee; Commissioner of Insurance G. E. Beedle, Wisconsin; Actuary L. A. Anderson, Wisconsin, and Auditor H. R. Cunningham, Montana, to be followed by general discussion.

Third Day, Thursday, August 27.

MORNING SESSION.

Report of the committee on fraternal insurance. General discussion.

Report of the committee on laws and legislation. General discussion.

Report of the committee on reserves other than life. General discussion.

Report of the committee on miscellaneous business. General discussion.

Topic, "Classification of Fidelity and Surety Risks on Bonds of Government Officials," by Mr. H. C. Peck, of the United States Treasury Department.

Report of the committee on officers and place of meeting.

Election of officers and adjournment.

[According to a statement made in the Detroit *Indicator*, the social features of the meeting will be an automobile ride about Detroit and Belle Isle Park on the afternoon of the third day and a steamboat excursion afterward up the Detroit River and into Lake St. Clair. Luncheon will be served on board.—ED.]

Program of the Annual Meeting of the National Association of Life Underwriters at Los Angeles, Cal., August 18, 19 and 20.

The program arranged by the committees in charge for the nineteenth annual meeting of the National Association of Life Underwriters, at Los Angeles, is as follows:

First Day, Tuesday, August 18.

MORNING SESSION.

Invocation—Rev. Baker P. Lee, D. D.

Addresses of Welcome—Hon. A. C. Harper, Mayor of Los Angeles; George I. Cochran, president Pacific Mutual Life insurance company; John W. Whittington, president the Life Underwriters' Association of Los Angeles.

Roll call of delegates, reading minutes of previous convention, president's address, secretary's report, treasurer's report, executive committee's report, local committee announcements.

AFTERNOON SESSION.

Address—Hon. E. Myron Wolf, Insurance Commissioner State of California: "The Relation of a State Insurance Department to Those Who Buy and Sell Insurance."

Discussion of Five Minute Topics—1. "Has the Opportunity of the Legitimate Life Insurance Agent Been Improved by the Events of Recent Years?" 2. "Public Opinion of Life Insurance: How to Keep It Right."

Address—Charles Dobbs, Louisville, associate editor the *Insurance Field*, "Education of the Agent."

Evening—Reception and ball, Hotel Virginia, Long Beach.

Second Day, Wednesday, August 19.

MORNING SESSION.

Address—Cyrus K. Drew, Denver, editor *Insurance Report*: "Hints from the Realm of Fraud and Fallacy."

Discussion of Five Minute Topic—3. "Is Twisting Ever Justifiable?"

New Business—Action on executive committee's recommendations, including revised constitution and bylaws, presentation of resolutions, or other business, to be referred, under the rules, to the executive committee.

AFTERNOON SESSION.

Address—John F. Roche, second vice president Pacific Mutual Life insurance company, "Legislation and Its Dangers."

Appointment of nominating committee.

Address—Mrs. Florence E. Shaal, president New England Women's Life Underwriters' Association, "Life Insurance for Women and by Women."

Adjournment at 4 p. m. (sharp), by request of entertainment committee. Automobile ride to Los Angeles.

Executive committee meeting at 4 p. m.

Evening—Reception at Chamber of Commerce.

Third Day, Thursday, August 20.

MORNING SESSION.

Address—Prof. Henry Morse Stephens, Professor of History, University of California, "State Insurance from an Historian's Point of View."

Address—E. H. Lestock Gregory, president the Underwriters' Association of San Francisco, "California Insurance Legislation."

Discussion by Messrs. A. B. Harris and John C. Piver.

Announcement of Successful Prize Essayists—"Publicity from the Standpoint of the Agent, the Company and the Policyholder."

Presentation of the Calef Loving Cup and the Ben Williams Vase.

Reading of prize essays.

AFTERNOON SESSION.

Report of nominating committee, election and installation of officers, unfinished business, selection of place for holding annual convention of 1909. Final adjournment. Special train at 3:15 p. m. to Long Beach, Naples, boat and gondola ride, Alamatas, Bay City, Sunset, Huntington, Newport and Balboa.

Evening—Banquet at Hotel Virginia, Long Beach.

The entertainment provided for the delegates and the ladies accompanying, after the adjournment of the convention, is as follows:

Friday—San Pedro, 9 a. m. San Pedro for Catalina Island, 10 a. m. Luncheon, 1 p. m. Return to Los Angeles, 11 p. m.

Saturday—Automobile ride through orange groves and Pasadena, 9 a. m. Mount Lowe. Refreshments at the summit, among the snowdrifts.

The sessions of the convention will be held at the Hotel Alexandria.

The American Fire Waste—An Address to the Public by the President of the National Board of Fire Underwriters.

The following appeal to the people of the United States has been issued by President J. Montgomery Hare on behalf of the National Board of Fire Underwriters:

NEW YORK, August 1, 1908.

To the Public:

We desire to invite attention to certain features of the work of the National Board of Fire Underwriters which touch the public interest in common with our own, and suggest the fullest co-operation from all concerned. The total property loss in the United States for 1907 is reported as $199,383,300, while for the past five years the destruction of values by fire in the United States has amounted to $1,257,716,955, or an average of over $251,000,000. No country, however rich, can suffer such enormous losses without seriously impairing its prosperity. In addition to other services rendered by the board, our constitution emphasizes the importance of adequate water supplies, with improved systems of distribution, efficient organization and modern equipment of fire departments, the adoption of the building code of the board providing for improved and safe methods of construction, as well as other fire protective measures, with a view to reducing the increasing fire waste.

With the purpose of aiding municipal authorities the National Board has in its employ competent hydraulic, fire department and electrical engineers and insurance experts of high standing in their professions, for the purposes of investigating existing conditions and presenting model building laws, thus endeavoring to minimize losses by fire throughout the country.

The condition of the water supply and fire fighting facilities and character of construction of buildings of a city is one of great importance to all concerned in the welfare and prosperity of the community, especially to its business interests and its property owning citizens. The actual conditions are reported as found without prejudice by these experts, whose daily occupation gives them exceptional qualifications as judges of such matters. Many instances might be cited as examples of imperfect and even highly dangerous conditions, and it is, we think, as much the duty of the insuring public as that of the fire underwriters to prevent, if possible, a recurrence of disasters similar to those of Chicago, Boston, Jacksonville, Paterson, Baltimore, San Francisco and Chelsea.

According to the figures tabulated by the committee on statistics of the National Board of Fire Underwriters, as per reports from the United States consulates, the fire loss per capita in six European countries was an average of $0.33. In the United States, as a whole, the average per capita loss for five years ending December 31, 1907, was $3.02.

The result in thirty foreign cities gave a per capita loss of

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$0.61, as against $3.10 in the five years' average of 252 cities in the United States.

Taking the number of fires to each 1,000 population in the same cities, our committee on statistics found it to be 4.05 in the American cities, as against 0.86 for those of Europe, showing also that in point of frequency fires here are far in excess of those abroad. Practically all fires are confined to the buildings or place of origin in the European cities, while such is far from being the case in the United States, due largely to a low standard of construction.

Thus it would appear from all the statistics available that the per capita loss in the United States is appallingly greater than in any other country, whether the comparison be by cities or by countries.

During the past four years over 125 of the more important cities have been investigated, and the reports have been supplied to municipal authorities, property owners and civic organizations, and as a result many improvements have been obtained.

If in the future the insuring public will use their influence to secure proper building laws, such as are outlined by the National Board building code, more efficient water supply and better fire department equipment, the destruction of property by fire would be materially decreased and the cost of insurance to property owners thereby lessened. Money thus expended in such improvements would advantageously affect the welfare and prosperity of the entire community.

Co-operation in this work is earnestly invited.

NATIONAL BOARD OF FIRE UNDERWRITERS,
J. Montgomery Hare, President.

Competence in State Supervision of Insurance—Rittenhouse and Wolfe.

(The Insurance Report, Denver.)

The explosion of the Great Western Life balloon cleared the atmosphere greatly by again demonstrating that there is no short cut to permanent success in constructing a life insurance company; but in doing so it put an awful dent in the system of insurance supervision as practiced by certain States. What a long list of incompetent, inefficient and farcical "examinations" many States have perpetrated on an ignorant public, which looks to the insurance departments for reliable, expert knowledge. The Great Western Life was managed by as shrewd a manipulator as can be found in this country, and he knew full well how to accumulate a luscious bunch of "expert" examinations of his company by departments whose representatives were so incompetent that they could easily be fooled by a grand stand bluff into making a favorable report. This explains why it is that the departments of Missouri (an early report by this department, afterward redeemed by the full exposé of this company's rottenness), Wisconsin and Louisiana gave official indorsement to the Great Western Life at a time when, had the facts been dug into, its rottenness would have been revealed.

This attitude also explains why it is that Van Laningham persistently refused to permit Actuary Wolfe, the best examiner in America, to look into the affairs of the Great Western Life. At least two State departments employed Mr. Wolfe for this effort, and on each occasion he was denied access to the company's books. Recently a critic of Van Laningham said to him: "How long do you think you can put off the day when all the States in which you do business will combine to demand that you either let S. H. Wolfe examine your company or get out of these States?" To which Van Laningham made reply that when that time came—and he admitted that it was among the early probabilities—he would get out an injunction to prohibit these commissioners from taking such "high handed action." Always Van Laningham contended that it was because of what he was pleased to designate as "Mr. Wolfe's prejudice against me" that this actuary was refused permission to examine the Great Western Life. The real reason is now quite apparent.

Not many States have competent actuaries in their steady employ. The job is usually a politician's pawn. Colorado never had even a pretense of one competent until last year, although for more than a quarter of a century the highest salaried employee of the department has been an "actuary." When Mr. Rittenhouse was sweating blood over his model code then before the Senate, one of the leading Republican Senators worked very earnestly to amend the provision for a "competent actuary" by inserting the requirement that "he shall have been a resident of Colorado for at least five years previous to his appointment." It was just a political trick to take care of one of "de gang" of incompetents, which, fortunately for the people of this State, was not permitted to go into the law. The result was that Mr. Rittenhouse, under the law, had the pick of the whole country, and his excellent judgment in selecting Mr. Hann, of California, for actuary has been emphatically demonstrated to the great good of legitimate insurance.

Mr. Rittenhouse holds the belief that an insurance department, conducted properly, can supply steady office work in abundance for the highest skill in an actuary through checking up annual reports, analyzing policy forms and similar effort. When a big job comes along requiring a thorough investigation of a company's entire home office records, Mr. Rittenhouse believes in hiring the best talent in the market. Hence it is that Mr. Wolfe has done more work for the Colorado department during the past two years than for any other State. The result has been that the reports and examinations issued by Mr. Rittenhouse are everywhere regarded as complete and reliable.

Incompetence in State supervision of insurance is too costly and serious a thing for the public to tolerate. Colorado people should keep their eagle eye on the politicians next session and see to it that the old days of inefficiency are not restored through tampering with the code governing the regulation of our present model insurance department.

President Kingsley's Homecoming Address to the Field Force of the New York Life—He Scores New York Life Insurance Legislation and "Little Minded Men" Who Are Responsible for It.

TO THE FIELD FORCE—July, with its production of over $28,000,000 in new applications, brings me satisfaction and pride for reasons which may not readily occur even to the men who did this notable piece of work.

The month closed and the record was made up just as I was completing a journey of many thousands of miles. I had for four months been following the lines of our organization through many lands, trying anew to get the point of view of field men, policyholders and governments—separated from the domicile of the company, as so many are, by the barriers of language and the prejudices which are supposed to stand like sentinels along every frontier.

My quest had taken me to every considerable country of Europe. I had held twelve agency meetings, four of which were in Russia. I had personally visited the ministers in charge of life insurance in nearly every European country. As I went from country to country I found myself everywhere greeting men who had served the company more years than I have, and in a deeper, finer sense I began to understand, as I could not otherwise have done, the significance of the words which we have so long and so proudly used—the great international life insurance company.

As I came into the governmental atmosphere and found how cordially we are welcome in those great countries, as I found how anxious the governments were to be just, how glad they are to have their people insured in an institution which has won their respect by thirty-five years of upright dealing, I began to understand, as I could not otherwise have done, the surpassing opportunity for usefulness which lies before us.

Bad laws were for the moment forgotten; I even felt some degree of compassion for the small minded men who, in the exercise of a little brief authority and under a leadership whose knowledge can hardly be called broad or sympathetic, lately struck a paralyzing blow at an institution which has done as much as any other, of any kind, to widen the reach of human sympathy and increase the sum of human comfort.

Everywhere—from Madrid to Moscow, from Petersburg to London—I found a growing and a grim determination among the organization to fight it out, to go ahead. Everywhere I found astonishment that New York State should have written some of her insurance laws; but, stronger than that, I found the conviction that in the United States—a land free and just—such laws cannot long remain. A new courage sprang up all through the European organization, and they were ready to respond to the call for a new order of work in July. The call came. The response was instantaneous. The results are marvelous.

July, as the month marking the anniversary of my election to the presidency, served merely as a rallying point. I indulge in no illusions as to the July incentive, while I respond cordially to the spirit which led you to couple my name with the July work. In so far as your work during July expressed approval of what I have tried to do for the New York Life and life insurance, I proudly accept your tribute. But the forces which produced $28,000,000 in July go deeper; they were born of the spirit of Nylic—a spirit which demands that labor shall be for daily bread and also for an ideal. Twenty-eight millions in July proves con-

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clusively that you still have your old time power and that you know how to use it.

You have been and are hampered by small politics; but small politicians pass and life insurance goes on. You have been discouraged by violent changes, by sensationalism, by some real errors in life insurance management; but violence spends itself and sensationalism palls and errors have been corrected. Therefore your courage is reviving, your determination is again in evidence.

Your July work is an inspiration not alone to the organization of the New York Life: its example will revive the courage of all real life insurance men everywhere. It is a call to action that will carry far. It will be one of the factors which will ultimately and effectively demand the revision of life insurance statutes by life insurance men. DARWIN P. KINGSLEY,
President.

The Southern Fire Insurance Commissions Question to Be Discussed at the St. Paul Convention—Graded Commissions Favored by Ex-President Dargan.

It appears from a communication addressed by the secretary of the National Association of Local Fire Insurance Agents to the various local associations in the Southern States that the commissions question, which has been agitated for some time in that section, and which received an interpretation from the committee of nine of the companies reporting to the Atlantic City meeting of the South Eastern Underwriters' Association, will be brought up for consideration at the annual meeting of the National Association of Agents at St. Paul next week. It is stated by the secretary in this communication that "the mistake of the companies in terminating conferences with Southern agents is, I think, now realized by company officials."

Meanwhile Mr. Milton Dargan, late president of the South Eastern Tariff Association, and the present manager of the Southern department of the Royal, has written the following letter to President Wortham, of the Virginia Association of Local Agents, on the commissions question:

DEAR SIR—I beg to acknowledge receipt of yours of the first, enclosing copy of report of your special committee on the question of commissions, which was forwarded to me here where I am spending a part of my vacation.

You ask for the position of this company, and I beg to say that, while I think the present is not an opportune time for requesting the companies to increase their expenses, still I feel that the contention made by the agents that discrimination is shown because more commissions are paid in other parts of the country is, to a certain extent, plausible, although circumstances have, I think, justified the companies in making such discrimination.

I have had opportunity to consider the various suggestions of the agents carefully and do not believe that any proposition so far advanced will prove of mutual benefit to the companies and the agents, except probably that of graded commissions, which was advanced by the agents at the association meeting at Atlantic City after the committee of nine had made its report.

Previous to this time the agents had through their organizations rejected graded commissions, and that plan, combined with separation in agencies from companies paying a different rate of commission, was the only plan which seemed to offer the companies a quid pro quo.

Any other plan increased the companies' expenses but did not eliminate competition in their own agencies with companies paying higher commissions, and therefore left them at cross purposes with their own representatives.

Graded commissions would bring harmony with their own agents, and therefore would give the companies something tangible in return for their concession.

I am therefore inclined to favor full discussion of this plan with the agents of the South, and as the companies' organization, known as the Eastern Union, with headquarters in New York, has, as to its members, jurisdiction on the question superior to that of the South Eastern Underwriters' Association, it was manifestly impossible for the association to act finally on the subject; hence, in my address as president, the suggestions to the agents to take it up with the companies direct. By that I meant with this organization. I see your committee construed this to mean taking it up with each individual company, but I do not think that this can be productive of anything but the receipt of a tangled mass of individual opinions differing one from another. Some organization must settle this, as all of the companies must act together.

The complications are great and it must take time to thrash it out to a satisfactory conclusion. My advice, therefore, is to go direct to the Union, requestiong that organization to consider the question, and in the meantime for the agents to be patient and not get up a spirit of strife with the companies, to the end that both sides may give it that calm and dispassionate consideration which is required to solve a question fraught with so many complications and difficulties. Yours very truly,

MILTON DARGAN,
Manager.

Prosperity.

(Henry Clews at the Annual Convention of the American Institute of Banking, Providence, R. I., July 24.)

There is no doubt, however, that the great prosperity of previous years enabled large numbers of the laboring people to lay up money, which has served them well since the panic, and so mitgated its effects. But known industrial conditions involve a good deal of poverty and suffering among the great majority of wage earners. We must therefore expect manufacturing centres to reflect in the November vote the effect of the panic. But in the West the agricultural vote will be little affected by it, as it was hardly felt by the farming community, which for eight consecutive years had enjoyed unprecedented prosperity.

New Yorkers who recently went to the convention and did some traveling in Kansas during their trip had their eyes opened to the conditions prevailing in that section of our country. They report the farmers as almost all having automobiles to go to market in, thus showing their affluent condition—and why not? They have had those eventful eight years of bountiful crops, which they have sold at high prices, so that the strongest back log that this country has today against a continuation of panicky or depressed conditions is the wealth of our farmers, who represent 35 per cent. of the labor class of the nation.

The corn crop this year, from the present outlook, will yield 2,700,000,000 bushels, which, at the September option price (62 cents), is valued at $1,700,000,000. The wheat crop, with an indicated yield of 675,000,000 bushels, at 93 cents per bushel, amounts to $627,000,000. Thirteen million bales of cotton, which looks likely to be this season's yield, at 9½ cents (the present price) would amount to $600,000,000. The oats and hay crops, now out of danger, are record breakers in quantity and quality. While the combination of crops this year will perhaps not be the largest in quantity, the price that will probably be obtained for them will aggregate, it is estimated, $8,000,000,000—the largest sum ever received in any one year by this or any other country since humanity came into existence with the creation of Adam. It is a curious fact that during the period when the people of the East, owing to the disastrous effects of the 1907 panic, were putting their automobiles out of commission or selling them at reduced prices, the farmers of the West were accumulating them, and at the present time are the most numerous buyers.

The 6,778 national banks in the United States in their reports to the Comptroller of the Currency on May 14 showed that they held $861,000,000 of cash, an amount far greater than they ever before held, and $169,000,000 greater than at the same date last year. Half of this large increase was in the forty-six national banks of New York, and, in the distribution of the rest, those of the West and Middle West were the principal gainers.

Meanwhile loans were largely reduced all over the country, excepting New York city, the greatest shrinkage being in the Western and Northern banks, and a like movement was shown in their deposits. * *

The effects of the panic of 1907 on Uncle Sam's income reflect general conditions by a reduction of not far from $60,000,000 in the fiscal year ending June 30. This has been exceeded only twice in any year since the Civil War, and was mostly due to the falling off in customs receipts consequent upon reduced imports. These were $46,000,000 less than in the previous year. Economy, enforced or voluntary, succeeded extravagance, and diamonds, and other superfluous luxuries of the rich and well to do, were no longer wanted, generally because there was no money to pay for them.

Yet our customs duties for the year amounted to $287,000,000 notwithstanding, the third highest in the country's history, against $333,000,000 the previous year, the largest total ever reached. The year's internal revenue receipts, however, shrank only $20,000,000, leaving the total $250,000,000. So Uncle Sam's wallet is still bulging with his wealth, while he can point to resources greater than those of any other nation.

He can also congratulate the country on the enactment of the

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emergency currency bill, which fortifies us against future panics. In conformity with this law every clearing house in the United States is following the example of New York by organizing a national currency association, so as to be prepared to act under it without delay at any time, if the necessity for so doing should arise. But the mere fact that we are prepared to check a panic through supplying the sinews of war to a maximum amount of $500,000,000 will of itself tend to prevent a panic, if not to make it practically impossible.

As we are now armed against it in advance, this inspires confidence, and where there is confidence there cannot be panic.

A London Lloyds Syndicate Reported to Be in Trouble—Movement to Prevent Operations in New York.

Reports were received this week in New York of financial troubles affecting some of the underwriters at London Lloyds, and one group which has been plunging on American business generally was reported to be facing losses estimated as high as $2,000,000, with insufficient resources to meet them. The following account appeared in a morning paper:

Many of the New York banks are directly interested in the situation, having been accustomed to accept the security afforded by the Lloyds policies without question, and since the facts of the troubles in London have become known here those who hold policies under the names of the syndicate in difficulties have been making haste to cover by reinsuring.

Under the English system the Lloyds underwriters, instead of carrying large funds of invested capital and surplus carefully conserved by State laws, as in this country, back their policies only with their personal credit plus the sum of £5,000 deposited with the trustees of the society by each member on his election, together with whatever balance of premiums they may have.

In the case of the syndicate, composed of about eighteen members, whose troubles have just become known, not only has the security deposited with the society been wiped out by its losses, but it is stated that seven of the members will be unable to take up their pro rata share of the losses.

The trustees of Lloyds conduct their affairs with such secrecy that there are no published accounts available to show New York brokers or those who hold the policies of this syndicate how far the credit of the remaining members will serve to take up the losses. In any event, since there is no joint liability, the solvent members will be liable for only their pro rata share. The amount of this reinsuring which will have to be done may be estimated from the fact that the liabilities accepted annually by this group are placed at between $150,000,000 and $200,000,000.

A large number of these policies have been taken out on Canadian mill properties, and insurance on commodity shipments has been widely accepted by banks here and in the West in connection with bills of exchange. Another branch of insurance in which this syndicate has largely participated in this country has been the writing of automobile policies, and it has also taken on a great many extra hazardous fire risks.

The situation is further clouded by the same lack of information about the standing of other syndicates in Lloyds whose credit so far has not been impeached. Up to a few weeks ago the group of "Lloyds names" now admittedly in trouble was counted among the strongest in the society, and its policies have been accepted in this country without question.

New York insurance men have not been astonished at recent revelations of shakiness in the world famous London agency. Lloyds policies, by reason of the freedom of the London underwriters from legal restrictions, have been increasing competitors in the American field. In this country, where insurance is restricted to chartered corporations whose investments are subject to severe legal restrictions, and with the additional requirement of taxes, amounting to 2 per cent. in this State, on business done, underwriting profits have been heavily cut into by the necessity of meeting Lloyds competition.

The New York State Insurance Department is taking measures to investigate the dealings by representatives of the Lloyds in this State. The same authority says:

Attention which has centred on the Lloyds of London through the publicity given to insurance placed in New York against Bryan's election, and more recent reports of financial difficulties among some of the Lloyds underwriters, has focused the resentment of regularly incorporated New York insurance companies against the invasion of their field by Lloyds into a movement to draft legislation which will make impossible the writing of Lloyds policies in this State.

The New York State laws forbid the writing of insurance by any but regularly entered companies, strictly safeguarded by State laws, except in the case of extra insurance which New York companies refuse. These extra risks may be placed by licensed agents under the law, of whom there are about fifteen in the State, with outside companies. It is contended by New York insurance men, however, that the representatives of Lloyds underwriters have found it easy to evade the legal restrictions in regular insurance, particularly in the field of automobile risks and the bonding of bank and other responsible employees. The State Insurance Department has already been working on these evasions of the law. Daniel T. Gordon, Acting Deputy Superintendent of the Insurance Department, said on Thursday that the District Attorney has under consideration the cases of certain brokers who have been taking insurance for Lloyds.

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(Including Dividend-Endowment Fund)

Dividend-Endowment Fund (Deferred Dividends). $1,795,020.00
Net Surplus..... 769,435.43
Insurance in Force..... 86,193,296.87

The forty-eighth annual report shows a gain in the amount of insurance in force; that assets were increased nearly $1,000,000, and that over $300,000 was paid to policyholders in dividends.

SECURITY MUTUAL LIFE
Insurance Company
BINGHAMTON, N. Y.

FREDRIC W. JENKINS, ... President

Life Underwriters desiring a policy contract that appeals to young men should write for particulars relative to our new Perfection Endowment; it is a winner.

For territory and terms address
C. H. JACKSON, Superintendent of Agencies,
Home Office.

North British & Mercantile
INSURANCE COMPANY,
OF LONDON AND EDINBURGH.

Established 1809.

OFFICE:
76 WILLIAM STREET,
New York City.

Southern Ins. Co.
of New Orleans

Guardian Fire Ins. Co.
of Pennsylvania

Robert Dickson - - - President
R. D. Tweeddale - - - Ass't Sec'y

80-82 William St., New York City

OUR Course of Insurance Education Department for Furnishing Prospects, New "Model Policy," Will Plough the Field and Assure the Harvest for Good Agents.

Phœnix Mutual Life Ins. Co.

Write Home Office. HARTFORD, CONN.

"We have never written as much business in the same period. Competition fades before us."

That's the way PRUDENTIAL FIELD MANAGERS are talking about

The NEW Low-Cost Life Insurance Policy of The Prudential

The Greatest Success in Life Insurance!

We want Agents.
We want Managers.
We want YOU!

THE PRUDENTIAL INSURANCE COMPANY OF AMERICA
Incorporated as a Stock Company by the State of New Jersey.
JOHN F. DRYDEN, President Home Office, Newark, N. J.

The Connecticut Mutual Life Insurance Company

Stands alone among the American companies of any note, in having repaid to its members, their beneficiaries and estates, in annuities, endowments, death claims, surrender values and dividends, more than it has received from them in premiums. These are the totals:

Received since organization—1846..... $249,356,745.45
Repaid as above noted..... 253,641,382.54
Excess over amount received..... 4,284,637.09
Assets December 31, 1907..... 65,003,271.10
Surplus December 31, 1907..... 2,326,657.25
Insurance in force December 31, 1907..... 174,716,005.00

President, JOHN M. TAYLOR.

Established 1782.

Phoenix Assurance Company, Ltd.,
OF LONDON.

FIRE INSURANCE ONLY. LOSSES PAID, OVER $135,000,000.
Head Office for the United States, 47 Cedar St., N. Y.
A. D. IRVING, Manager LOUIS P. BAYARD, Asst. Manager
A. D. IRVING, JR., Sec.

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THE Fidelity and Casualty Company,

97-103 CEDAR STREET, NEW YORK CITY.

Assets, $7,537,429.91.

Capital and Surplus, $2,013,400.24.

Losses Paid to January 1, 1908, $26,629,131.90.

This Company grants Insurances as follows:

Bonds of Suretyship for persons in positions of trust
Fidelity Bonds, Burglary, Plate Glass,
Steam Boiler, Flywheel, Employers',
Public, Teams, Workmen's Collective,
Elevator and General Liability;
Personal Accident, Health
Physicians' Liability and
Bonded Attorneys' List.

OFFICERS:

George F. Seward, President.
Robert J. Hillas, Vice-President and Secretary.
Henry Crossley, Assistant Secretary.
Frank E. Law, Second Assistant Secretary.
George W. Allen, Third Assistant Secretary

Home Office Building, New York.

SURETY ON BONDS

American Surety Company of New York

100 Broadway, - New York

Capital, $2,500,000

Bonds issued for Employees, Administrators, Guardians, and in Judicial Proceedings.

STATEMENT DECEMBER 31, 1907.

Resources (including Capital, $2,500,000)..... $6,365,342.47
Liabilities (including Reserve, $1,126,946.11).... 1,746,329.08

HENRY D. LYMAN, *President.*

W. S. JOHNSTON, *Vice-President.*

SUN Insurance Office OF LONDON

FOUNDED 1710

UNITED STATES BRANCH:
54 PINE STREET, NEW YORK

WESTERN DEPARTMENT:
171 LA SALLE ST., CHICAGO

PACIFIC DEPARTMENT:
N. E. Cor. Sansome and Sacramento Sts.
SAN FRANCISCO, CAL.

London Assurance Corporation,

CHARTERED A. D. 1720.

Surplus in United States January 1, 1907, $650,599.91.

CHAS. LYMAN CASE, Manager.
84 William Street. New York.

HANOVER

Agencies in all the Principal Places in the United States.

Fire Insurance Company OF NEW YORK.

THE LEADING FIRE COMPANY OF THE WORLD

ROYAL INSURANCE COMPANY LIMITED

[of Liverpool, England.]

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Insurance Co. of North America,

232 WALNUT STREET, PHILADELPHIA.
FOUNDED 1792.

Assets, January 1, 1907		$10,748,864
LIABILITIES—Reserved for Reinsurance and all other claims	$6,705,870	
Capital Stock	3,000,000	
Surplus over all Liabilities	1,042,994	$10,748,864

Agents in all the principal towns and cities.
CHARLES PLATT, President.
EUGENE L. ELLISON, Vice-President. BENJAMIN RUSH, Second Vice-President.
GREVILLE E. FRYER, Secretary and Treasurer. T. HOUARD WRIGHT, Assistant Secretary.
HENRY W. FARNUM, Marine Secretary. JOHN O. PLATT, Assistant Secretary.
Offices in New York: Fire, 51 William St.; Marine, 63 Wall St.

1825. THE 1908.

Pennsylvania Fire Insurance Co.

OF PHILADELPHIA.

Cash Capital	$750,000.00
Reinsurance and all Liabilities	4,096,833.14
Surplus	1,615,283.97
Total January 1, 1908	$6,462,117.11

R. DALE BENSON, Pres. CHARLES W. MERRILL, Asst. Sec.
JOHN L. THOMSON, Vice-Pres. HAMPTON L. WARNER, Asst. Sec.
W. GARDNER CROWELL, Sec. WM. J. DAWSON, Sec. Agency Dtep.

COMMON SENSE PROTECTION

includes insurance against
1. DISEASE 2. ACCIDENT 3. DEATH

THE COLUMBIAN NATIONAL LIFE INSURANCE CO.

OF BOSTON, MASSACHUSETTS,
provides all three, as no other company does incorporated under the stringent laws of Massachusetts. Attractive, Non-participating Life Policies.
Liberal and Definite Accident and Health Policies.
Surplus to Policyholders, over $1,500,000
Men with clear records wanted as District Managers. Save time by sending record and references with first letter to
Home Office: 176-180 Federal St., Boston, Mass.

INCORPORATED 1851.

Berkshire Life Insurance Company

OF PITTSFIELD, MASS.
All Policies issued by the Company are subject to the Massachusetts Non-Forfeiture Law.
JAMES W. HULL, Pres. J. M. LEE, Actuary.
THEO. L. ALLEN, Sec. ROBT. H. DAVENPORT, Asst. Sec
Agencies in all the principal cities of the United States.

NOTICE

Insurance Losses and Claims for Damages amicably and satisfactorily Adjusted. Otherwise resisted, defended at Law or in Equity for Companies by

T. F. HANLON

ADJUSTER AND ATTORNEY
BALTIMORE, MD. CALVERT BLDG. WASHINGTON, D. C. COLORADO BLDG.
(Address Washington. 'Phone: Main 7132).
Twenty-five years' experience Member Bar U. S. Supreme Court.
GO ANYWHERE. OPERATE ANYWHERE.

COMMERCIAL UNION ASSURANCE CO.

LIMITED,
OF LONDON.
OFFICE:
Cor. Pine & William Sts., New York

SAMUEL GANS, President. LEOPOLD GANS, Vice-Pres. & Gen'l Mgr.

SAMUEL GANS CO.

186-188 WOOSTER ST., N. Y.
New York Chicago Atlanta

Renovators of Fire and Marine Salvages

Telephone: 580 Spring
Stocks handled at lowest percentage consistent with proper results, accompanied always with Cash Guarantee. Our methods fortify adjusters in advance of closing loss.
Always telegraph or telephone at our expense.
Expert advice cheerfully given.
EDWIN W. WILE, Resident Manager
Home Office: Chicago, 207-209 E. Madison St.

Mutual Life Policies

ARE EASIEST TO SELL

BECAUSE
Yearly dividends have been increased for the last three years, 1906-7-8, at a rate equalled by no other company.
Cash values guaranteed in the new life and endowment policies, are equalled by few companies, and excelled by none.
Attractive features have been added to standard policy forms.
Liberal terms offered producing agents under the 1908 contracts.
For information, address
GEORGE T. DEXTER
Second Vice-President
The Mutual Life Ins. Co. of New York
34 Nassau Street, New York, N. Y.

Head Office for the United States:

57 and 59

William Street,

NEW YORK.

LONDON & LANCASHIRE FIRE INSURANCE COMPANY

A. G. McIlwaine, Jr., Manager.

[FIRE]
German American Insurance Company
New York
STATEMENT JANUARY 1, 1908
CAPITAL
$1,500,000
RESERVED FOR ALL OTHER LIABILITIES
7,592,685
NET SURPLUS
4,415,353
ASSETS
13,508,038

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The Weekly Underwriter:

AN INSURANCE NEWSPAPER.

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CHARLES A. JENNEY, President and Treasurer. L. ALEXANDER MACK, Secretary.

WE print in this issue a particularly strong exposure of the false position of London Lloyds in this country as represented by the brokers who offer to write fidelity risks for it. The article has been prepared by Mr. D. J. Tompkins, secretary of the Guarantee Company of North America, and he marshals his facts with such force and proof that no one who reads can fail to be convinced that there is an element of uncertainty in a London Lloyds non-marine policy that does not exist in the policy of a legally authorized American corporation. The facts also apply to the other kinds of underwriting, except marine, undertaken in this country by the subscribers to this concern. The presentation is worth wide distribution among people who have been beguiled by the affectation of cheapness combined with security put forth by the general business solicitors for the Lloyds or by their representation that such policies as they offer "have all the credit and backing which attach to Lloyds marine policies, but which they have not."

THE story of the origin of the Factory Insurance Association, as related by Manager Phillips at the St. Paul meeting this week, points a moral which underwriters, and other people as well, may always heed. In 1836 a Rhode Island cotton manufacturer named Allen conceived the idea of safeguarding his mill with a standpipe. "He provided it with outlets on each floor," says the narrator, "to which were attached lines of hose from which water might be thrown in the event of fire, the standpipe being connected to a pump. He invited the representatives of the insurance interests to witness an exhibition of his apparatus, and after he had shown how much water could be thrown through these lines of hose throughout the various floors of his mills, he quite naturally suggested that as a result of this safeguarding his property he was entitled to consideration in the matter of a lower insurance rate." The underwriters of 1836 were typical Bourbons, for their reply was, "A cotton mill is a cotton mill, and the rate is three per cent." The sequel is impressive. The manufacturer gathered his fellow millmen around him and solicited their co-operation and they organized a mutual insurance system which has transacted business in the past seventy years for thousands of mills and factories, representing in value thousands of millions of dollars. It is not impossible that a large part of the long struggle between stock and mutual companies for mill risks would have been averted had our fine old stiffnecked progenitors been possessed of a little more sense than mules. The moral that is pointed by the chronicle is that it should be the highest aspiration as well as study of the business man to know when to make a concession and to make it.

THE much buffeted Provident Savings Life Assurance Society has changed owners again, so far as the stock is concerned. The new proprietors claim that their purchase of the controlling interest is a legitimate investment, with the view of building up the company, restoring its prestige and continuing its independent existence in New York, and that reinsurance in another company —particularly that of Louisville—is not to be effected. If this is true and the new people are really financially strong, and are also capable and honest, the transaction is probably as good for the company as any that can be hoped for. But it will be the task of Superintendent Kelsey to ascertain this beyond doubt before the policyholders, the public and the insurance departments of the States in which the company will expect to do business will restore it to their confidence. Faith in a life insurance company is a plant of slow growth. It is attained by years of fair repute as to management and solvency. The Provident Savings Life once possessed the complete confidence of the community. It has fallen sadly away from that since it became the prey of speculators seeking the control of its funds to exploit their personal adventures. The struggle between the Coyle and Thomas interests created a scandal that would destroy a financial institution not inherently strong. It is evidence greatly to the advantage of this company that it has survived the adverse effects of the unhappy notoriety these assaults on its reputation have produced. Now that we have the word of the department at Albany that there is enough sound material existent to assure the rehabilitation of the company, if judiciously and faithfully handled, there is encouragement to hope for its future. The growth will be slow again. It is enough for the present if the interests of the policyholders are saved.

THAT the agents by association may be a power for the welfare of the business was the keynote of the annual convention of the local fire insurance agents of the United States held at St. Paul this week. This sentiment kept them within the bonds of conservatism, notwithstanding the tone of asperity toward the companies which crept into a few of the committee reports. But the members—or the large majority of them, no doubt—accepted with good grace the enunciation of the Minnesota Supreme Court rule, cited by Secretary Perry of the St. Paul Fire and Marine in his address, that it is the duty of the agent "to exercise the utmost good faith in the business of his principal, and to secure this he is not permitted to place himself in a position antagonistic to his principal, nor to secure any advantage to himself without the full and free consent of his principal." We print a very full special report of the proceedings of the meeting. The question

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of commissions was dominant, and after the Southern delegates had stated their case, which was practically that they are entitled in equity to as much compensation for their services as the agents of any other section, the association politely dismissed their plea without action and with the expression of the hope that they would get together again with their companies on the subject. Indeed, the association appears to have taken alarm at the suggestion that the commissions question may be adjusted by a uniform commission all around, and hastily withdrew its own reference to that possibility last year by resolving that as the companies had given it no consideration, "a uniform commission under diverse conditions would be manifestly unjust to agents." The real business of the convention was embodied in the report of the committee on resolutions. Salient points in this are the recommendation that a bureau be established by the association to investigate complaints against agents and companies and violations of the State insurance laws, and the request to members to secure information for the executive committee of the practices of companies appointing multiple and side line agents. The meeting was well attended and the interest was maintained throughout. Mr. Perry told his hearers the truth when he said that in their special vocation they were among the most sagacious and intelligent business men of the country. This does not apply to all agents, but it fits most of those of the National Association of Local Fire Insurance Agents.

Facts and Opinions.

A book containing certain **precautions against fires** for the use of the employees of the **Metropolitan Street Railway Company** has been issued by the receivers, Adrian H. Joline and Douglas Robinson. The book contains forty pages of information and cautions, and is substantially bound for everyday use. Besides a table of contents an index is included, so that a desired regulation may be readily located in case of need. In the general description reference is made to the fact that all properties have been provided with certain appliances for extinguishing fire, and more efficient fire alarm systems have already been installed in some properties, and will be installed in others shortly. Attention has been paid to the segregation of certain hazards, as, for example, provision of waste cans and bins; also sweepings and barrels. The foremen of each property will be held responsible for the proper care of the premises and for the upkeep of the fire apparatus. Special inspectors in the employ of the receivers will make weekly inspections of all properties and report upon printed blanks as to the care of fire fighting appliances. An inspector will also make weekly inspections of the sprinkler systems and report upon a special blank. A guard organization will see that only authorized persons have access to the property of the company. Watchmen patrol all parts of most properties during the night, and day and night roundsmen visit all properties at irregular times to see that the regular watchmen do their duty. Fire brigades will be organized and maintained at all points. Specific information is given as to what things may cause fires, how they may be spread, and also how they may be extinguished. The instructions to watchmen and guards are explicit and mandatory, and should be a considerable factor in eliminating fires like those of the past, which have been both extensive, numerous and destructive.

It is announced at Austin that Insurance Commissioner Love, of Texas, will recommend the repeal by the Legislature of the provisions of **the Robertson law** authorizing the commissioner to waive any of its requirements, and also the repeal of the provision requiring the deposit of the securities to be made within the State. A dispatch from Austin to the Dallas *News*, outlining the commissioner's forthcoming report, says:

> Mr. Love stated that if his recomendations were carried out it would make the Robertson law a straight investment act, and the companies could deposit their securities wherever they pleased. It would make each and every life company doing business in this State invest three-fourths of its Texas reserve in securities of this State, but once they invested in Texas securities the same could be placed or deposited in any State in the Union. The repeal of the waiver proposition, however, would make the investment mandatory on every life company, and none could be excused from the provision of law. Inasmuch as his report and recommendations are addressed to the Governor, that executive may decline their recommendation in his message to the Legislature. As Superintendent of Banking Mr. Love said he would now devote a great deal of his time to preparing and perfecting a bill guaranteeing bank deposits. This is in line with Mr. Bryan's ideas and following the lead of Oklahoma. Governor Campbell has also come out in favor of a law providing for the guaranteeing of bank deposits. Of course the law will apply only to the State banks, of which there are 326, and cannot be utilized by the national banks until Congress authorizes them to join in with other banks for such guaranteeing insurance, according to a ruling just given an Oklahoma national bank by the Washington authorities.

Three domestic and thirteen other State life insurance companies now transact business in Texas, all of the latter except two being very young and little. Twelve of them have in the aggregate $425,047 invested in Texas securities. The other, the Union Central Life of Ohio, has $4,211,481 so invested.

A **reinspection** of the **fire hazard** of the city of **Newark, N. J.**, by the engineers of the committee on fire prevention of the National Board of Underwriters disclosed that there had been few of the recommendations carried out that were made by the Committee of Twenty in March, 1905. Conditions were found rather unfavorable, due to the failure of the city to enact adequate building laws, coupled with the weakness of the water supply. The main arteries and secondary feeders in the distribution service are characterized as generally inadequate, too widely separated, and in many cases not connected to smaller mains at their intersection. Many large areas are served only through main minor distributors, and the gridironing is incomplete in many places. The building laws are severely criticised, as no limitations are placed on floor areas or heights, while provisions covering floor opening protection are unsatisfactory, and practically no fireproof construction is required. The general building conditions are reported as little changed since 1905. Regarding the conflagration hazard the report says as follows:

> There has been little change in the potential conflagration hazard of Newark since 1905, due largely to the failure of the city to enact adequate building laws, although a tendency on the part of property owners to pay more attention to the fire hazard is apparent. The prevailing weak construction in and surrounding the congested value district, the numerous unprotected window openings and many narrow streets make bad fires possible. There are also several compactly built frame tenement districts that form a distinct menace to the city. The water supply in many of the manufacturing districts is particularly weak, so that serious fires can easily occur in such localities.

The sub-committee appointed by the committee on blanks of the National Convention of Insurance Commissioners at its meeting in New York city in June has perfected the **annual statement blanks** in accordance with the action of the committee, and arranged for their printing, so as to present them to the National Convention to be held at Detroit on August 25. The sub-committee has concluded to recommend that the Case, Lockwood & Brainard Company, of Hartford, be made the official printers of the blanks. The sub-committee, which is composed of Messrs. Henry D. Appleton,

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Charles W. Fletcher and Joseph H. Woodward, says in its report:

A reference to page 91 of the convention proceedings, thirty-eighth session (1907), will call attention to the resolution presented by Mr. Folk and duly adopted, reading as follows: "Be it resolved, that the committee on blanks for the ensuing year be directed to consider the preparation of a schedule to be added to the life insurance blank showing in detail the amounts held for deferred dividend contracts by classes and the separate amounts debited and credited to each class during the year." Careful consideration was given to this resolution by the committee and as a result a new schedule (Schedule P) was prepared and added to the life blank. This schedule is particularly referred to in this report in the statement of changes in life blank. The members of the sub-committee have been in constant correspondence since the June meeting, and believe that the blanks as printed embodying the modifications referred to in this report carry out in all particulars the instructions received from the committee on blanks. The committee on blanks will hold a session in Detroit on Monday, August 24, prior to the sessions of the convention, at which time any suggestions received from the departments following this report will have careful consideration.

License to do business in Colorado by the **West Coast Life insurance company** of California has been revoked by Insurance Commissioner Rittenhouse. The action was taken on the ground that the expenditure of the company for several months has exceeded its income, and that it has violated the statute which provides that no foreign company shall institute proceedings against a citizen of Colorado in a Federal court. The affairs of the company have been under investigation for some time, and in order to prevent any action by the Colorado Insurance Department the company applied for an injunction from the United States Circuit Court restraining the commissioner from preventing the company from doing business in the State. The application was denied by the court, and action by the State Department immediately followed. A San Francisco dispatch says that officers of the company deny that its application for a permanent injunction restraining the commissioner from revoking its license was refused by the court. Only a temporary restraining order was refused, and the other matter was postponed for a hearing to the first Monday in September.

The New York correspondent of the *Insurance Field* also joins in the prevailing opinion that the insurance interests in New York **will not support Governor Hughes** for re-election. He writes:

A question which just now is worrying politicians greatly and insurance people a little is the renomination of Governor Hughes. It is obvious that the former do not believe it expedient to renominate the Governor, but there is a tremendous pressure on the part of the active opponents of racing and betting to force his nomination. Without doubt refusal to accede to their wishes will cost the party a number of votes, though the latter would not go to swell the opposition. On the other hand, a number of different elements, that would naturally support the nominee of the party, will go over directly to the Democrats if the Governor is named. Insurance people generally, while having all confidence in the sincerity of the Governor, believe him to be incapable of learning anything or of ever admitting the possibility of his being mistaken, as far as insurance is concerned. The general feeling is that there will be no change in the unwise and impracticable features of the law, no relaxation of harsh and unjust requirements while Hughes is Governor. While there will be no concerted action to oppose his election, the opposition will develop, none the less, and thousands of insurance agents and employees, the great majority of them Republicans, will quietly cast their ballots for the opposing candidate.

Some sensible observations on the **relations of capital and labor** were made by Sir Christopher Furness at the annual meeting of the shipbuilding corporation of which he is the chairman, at West Hartlepool, England, August 1. He said:

If capital is to be had, it must be encouraged, and the only way to encourage it is to reward it. The artisan of today is reaping the harvest sown by the enterprise of those who have gone before him, oblivious of the fact that should he devour that harvest in its entirety he will also consume the seed upon which our future national prosperity depends. Whatever wealth may be amassed by employers, it ought to be remembered that such men seldom squander their wealth; few, indeed, derive any personal pleasure from it. Their zest in life is maintained by reusing the capital they have gathered, putting it out against another harvest, and in that way enabling industry in many and varied forms to find profitable employment. The newer theories of ideal social order so assiduously circulated in our midst must ever lack the machinery and direction necessary to their successful consummation, and in that sense are harmless. These are as the mirage of the desert, breeding hopelessness and despair in those who follow after them. That is where danger lies; that is why it behooves us while there is yet time to counteract the evil, lest by indifference we drift along to a state of crisis and chaos that will shake the common weal to its foundations.

The committee in charge of the **Bureau of Information** instituted by the fire insurance companies involved in the **Chelsea conflagration** has made a final report in the course of which it says of its labors:

In response to the committee's suggestion of April 22 eighty companies responded with lists of their individual policyholders, each list containing an average of forty-five names, aggregating total gross liability exceeding $6,200,000, or about 71 per cent. of the gross liability involved, as reported to the Insurance Department of Massachusetts by the bureau companies. In tabulating these for ready reference 3,943 individual cards and 2,410 street location cards were made, and references to these cards were frequent by adjusters and others up to about July 1, and since then there have been many calls, mostly, however, from the various relief committees, who in their investigations of applications for relief inquire whether applicant had insurance, and from the information furnished by the bureau a number of discoveries have been made that dishonest parties are applying for relief; this emphasizes that in addition to the bureau being of value to the companies it has also been a benefit to the public as well. One hundred and twenty stock companies had direct liability in the Chelsea conflagration; they were all members of the bureau, and each paid its proportion of the expense of same. The bureau issued forty-one bulletins; they were consolidated in eleven communications.

It must be almost as bad to be declared **"statistically dead"** as "legally dead," in fact a little more so, as in the former case the "dead one" knows his alleged condition. Such was the fate, however, of a Washington man—Brig. Gen. Daniel H. Rucker, U. S. A., retired—who having reached the age of ninety-six received a notice from the **New York Life** to come to the office, receive his life insurance money and sign a receipt for the same, thereby cancelling the policy. The doughty veteran was made to understand that under the American tables of mortality all lives are assumed to have expired before the age of ninety-six. Taking 100,000 insured persons as a basis, 216 among that number may be regarded as living at the age of ninety-two. Of this number 137 are supposed to die in the ninety-second year. Reaching the age of ninety-five, only three persons are supposed to be left from the original 100,000. These three, according to the insurance figures, must die during that year.

The program of the meeting at Niagara Falls, Ont., September 2, 3 and 4, of the **Detroit Conference** of Accident Insurance Companies, of which Louis H. Fibel, of the Great Eastern Casualty Company, is president, embraces reports of the officers and standing committees, and also the following proceedings:

Reports of Special Committees—New manual, William H. Jones; reporting agents, Reinhold R. Koch; membership, A. E. Forrest; phraseology, National Casualty Company; bureau, Reinhold R. Koch; taxes, licenses, fees, etc., E. C. Robinson; collections, L. O. Chatfield; physicians, C. H. Boyer.

Question Box—Reading and discussion of questions previously introduced; introduction in writing of new questions.

Reading and Discussion of Papers—"The Passing Show in Insurance," Max Cohen, of *Vieces*, Washington, D. C.; "The Work of the Detroit Conference," C. H. Boyer, General Accident Assurance Corporation; "Hernia," Dr. C. H. Harbaugh, president American Association of Medical Examiners; "Stopping Leaks," W. H. Howland, Fidelity Accident and Protective Society.

To have one's **divorced wife still carrying insurance on his life** when she has married again and he has taken a second

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better half is the position in which Charles E. Stacy, a Brooklyn photographer, found himself. The thought that his death would be a source of financial profit to the wife of another man will no longer burden him now that his former wife has become the helpmate of Wilson Miller. Mr. Stacy signed a paper releasing the life insurance company of all liability to him as beneficiary under the policy on his life held by his first wife, and, the due formalities complied with, Mrs. Miller, the once Mrs. Stacy, took the policy to the company and had it cancelled, receiving back about one-third of the premiums she had paid in. Now everyone is happy again, and Mrs. Miller is at liberty to take out a policy on Hubby No. 2. This divorce game even involves the insurance business apparently.

Appealing to the civic pride of the inhabitants of Wilkes-Barre, Pa., two glib strangers from Philadelphia have been collecting funds for the organization of a **bogus insurance company,** to be known as the Capitol insurance company of the United States, with head offices in the mining town. Samuel Dickinson and William McDonald are the names given by the enterprising promoters, who took about $8,000 away from the citizens in amounts of from $75 to $750, and then decamped only to be arrested shortly after in Philadelphia on a charge of receiving money under false pretenses. Many of the subscribers put up $750, though there were several who only parted with $300. Twenty-eight warrants were issued for the arrest of the men.

The Louisiana Fire Prevention Bureau has **increased rates** $2.50 per $1,000, with an additional flat rate charge of 25 cents for general conflagration exposure hazard, owing to the weakness in the water supply of the city of **New Orleans** and the heavy losses for the past six months, which have aggregated more than $6,000,000. The increase applies to the congested value district of the city only, while sprinklered risks, buildings provided with outside equipment and public storage warehouses are not affected by the additional charge. Secretary Bloodworth, of the bureau, has stated that the $2.50 charge will be eliminated on the completion of the water works system, while the 25 cent charge is likely to be a permanent one.

The **New Century Life of Topeka,** Kan., has been organized to write life insurance on conservative lines. Officers have been elected and $81,000 has already been invested in the capital stock. The officers are as follows: J. W. Haughey, president; Willard N. Hall, vice president; L. G. Beal, secretary; David L. Lakin, treasurer and assistant secretary; Dr. L. A. Ryder, medical director; A. M. Harvey, attorney; Paul L. Woolston, of Denver, actuary, and H. B. Carroll, of Indianapolis, superintendent of agents. An executive committee has been selected, consisting of F. W. Freeman, W. N. Hall, J. W. Haughey, L. G. Beal, David L. Lakin, L. A. Ryder and A. M. Harvey.

The field for **surplus line fire insurance in Chicago** is broadening, largely owing to smaller lines written by many insurance companies on certain classes of property. During the summer a great deal of surplus insurance is written on various shows and amusement devices in the summer parks, on which high rates are imposed by the stock companies. An increased number of small business concerns operating hazardous lines, such as photographic films, celluloid novelties, etc., are requiring surplus insurance, while the usual demand still continues from the packing houses, elevators, cold storage warehouses and department stores.

The fire insurance companies are preparing to pay the **Tennessee corporation tax** under protest. It was payable July 1, but would not be in default until September 1, and in the meantime a decision was expected from the Supreme Court of the State in the case brought to test the constitutionality of the law. The court has not reconvened, however, and the attorney for the fire insurance companies has asked that they send him completed blanks and checks in order that the tax may be paid under protest to avoid default. Suit will be begun to save the companies' rights pending the decision of the Supreme Court.

The contest for the Republican nomination for **Insurance Commissioner of Wisconsin** is warm, and Speaker Ekern, the promoter of much of the drastic life insurance legislation of last year, is out with a declaration that the insurance interests are doing their utmost to defeat the nomination of the present commissioner, George E. Beedle, and are backing James E. Abbott, the opposition candidate. The latter has published a letter saying that if he is elected he will enforce the insurance laws so long as they are on the statute books.

The Northern Life of Seattle has **offended other life insurance men** by sending out a circular generally offering insurance for a year under a combination life, accident and health policy for nothing, provided that a facsimile of the check given for the first premium may be used for advertising purposes. The chief offense lies in the statement in the circular that the company "thus avoids the usual extravagant agent's commission and renewals," and that this saves the prospect from "an agent to worry and talk you to death."

The president of the **Fire Underwriters' Association of the Northwest** is appointing memorial committees to report on the fourteen members who have died since the last annual meeting. Included in this number are the last two surviving members who attended the first meeting of the association at Dayton, Ohio, in 1871—W. F. Fox, of Milwaukee, and E. P. Foreman, of Detroit. Nearly all the deaths were of older members, and a remarkable feature is that not a single non-Union member died during the year.

The fire insurance on the **bonded whiskey warehouse loss** at Midway, Ky., is widely scattered, the only lines placed in Kentucky being those on the Greenbaum whiskey, the Woodford County Distillery line being placed in Cincinnati. Aside from that there is an immense amount of insurance distributed all aver the country, placed by local wholesalers and retailers who own whiskey in bond. One Chicago general agency has eight small lines for dealers written through various agencies all over the West.

The annual meeting of the **Minnesota Association of Local Fire Insurance Agents** was held at St. Paul on Monday, and it instructed its legislative committee to work for the enactment of an anti-rebate law in Minnesota applying to fire insurance. The new officers the association elected were: President, J. Q. Haas, St. Paul; vice presidents, J. H. Griffin, Albert Lea and Theo. Williams, Mankato; A. C. Dickson, Winona, and T. H. Bliss, Rochester; secretary and treasurer, W. H. Hart, St. Paul.

The **Bankers Fire of Los Angeles** has been incorporated with $200,000 capital and $300,000 surplus to write preferred risks only. Stocks of merchandise and all hazards in the congested district of any town or city will not be written, thereby practically limiting all risks to first class dwellings

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and fireproof buildings. Officers have been elected as follows: Lee C. Gates, president; Joshua E. Youtz, vice president and manager; W. S. Allen, secretary, and J. M. Hunter, treasurer.

A receiver has been appointed for the **Home Fire** insurance company of **Little Rock,** Ark. The receiver was appointed at the request of the board of directors, who allege the company has no assets with which to meet its indebtedness. The petition states that under present conditions, since the admission of the old line companies to do business in the State and the consequent cutting of rates, it is no longer possible to operate the business of the company on a paying basis.

The Big Three of the New York Life agency force—Harold Peirce, of Philadelphia; J. J. Parker, of Cleveland, and E. S. Heyman, of Chicago—won the contest during the July Kingsley month, in which they challenged any other five producers in the country. They wrote nearly a million, but beat the Southern department quintet by only $500. The great Middle quintet wrote $562,000, and there were five quintets that wrote between $400,000 and $500,000.

St. Louis fire insurance premiums in the first six months of 1908 fell off 20 per cent., as compared with the same period of last year. This is partly accounted for by the depression in business, while the 10 per cent. reduction in rates made in February was also a contributing factor. Another reduction of 10 per cent., applying to the larger values, was made in July, and so its effect will show on the second six months.

Plans are on foot for the **reorganization** of the **Scranton Mutual Life** of Scranton, Pa., so that the company, which began business about a year ago on the mutual plan, may become a $1,000,000 stock company, and so drop the mutual feature. The present policyholders, numbering 3,400, will be allowed to subscribe to the new capital on a pro rata basis. J. S. McAnulty is president and W. H. Wheeler vice president.

The **fire insurance agents of North Dakota** effected a permanent organization on Saturday last at a meeting held at Fargo, and the following officers were elected: Thomas Baker, of Fargo, president; W. L. Williamson, of Lisbon, vice president, and M. N. Hather, of Fargo, secretary-treasurer. Resolutions were adopted urging better work in the construction of buildings, fire inspection and electric lighting.

The Ohio fire marshal has ordered an inspection of all **dry cleaning establishments** in the larger cities, especially those in the business districts. He charges that the large amounts of gasoline used make them a dangerous hazard, which should be removed outside the city limits. Eleven such establishments in Columbus have agreed to remove from the business districts, provided a reasonable time is allowed.

The Minnesota State Board of Pardons has **paroled Dr. J. E. Force,** former president of the Northwestern National Life of Minneapolis, who was convicted of grand larceny and sentenced to serve three and one-half years in the Stillwater Penitentiary on May 26, 1906. The charge arose out of the misuse of the company's funds by the old management, which was forced out when the company reorganized.

Fire insurance losses on the Pacific Coast, especially in the northern coast States, have been unusually heavy this year, and it is certain that this twelvemonths the usual low loss ratio of that territory will not be realized. Lumber and woodworkers' fires have been severe in Oregon and Washington, while there has been an increasing number of city losses, especially in Portland.

The withdrawal of **Edward K. Beddall** from the New York insurance firm of **Hall & Henshaw** to enter the brokerage field, beginning September 1, has been announced. After that date Mr. Beddall will not be connected in any way with Hall & Henshaw, but William W. Henshaw and Warren F. Goodwin, comprising the firm, will devote themselves exclusively to the agency business.

The committee of the **Illinois State Board** to confer with the Illinois Insurance Department on matters of interest has been made up with W. E. Vandeventer, of the Ætna; H. B. Fargo, of the Citizens; H. H. Rassweiler, of the Insurance Company of North America; H. F. Espenschied, of the National, and J. G. Stauffer, of the Fireman's Fund.

The **Peninsular Life insurance company** of Michigan has been organized at Detroit, this being the fourth company to organize in that State. No president has yet been elected, but the other officers chosen are as follows: Vice president, John C. Robinson; secretary and treasurer, Menno Zimmerman; counsel, Robert M. Brownson.

The **Hanover Fire** of New York has been readmitted to Arkansas on filing a bond of $20,000 with the Insurance Department and paying a fee of $301. A. B. Banks, of Fordyce, has been appointed general agent. The company withdrew from Arkansas in company with many others at the time of the passage of the drastic anti-trust law.

The following committee on order of business at the forthcoming **annual meeting of the Western Union** at Frontenac, September 9, has been appointed by President Law: Thomas E. Gallagher, F. C. Buswell, J. M. De Camp, M. F. Driscoll, A. J. Harding, W. J. Littlejohn and W. S. Warren.

The new **lumber schedule issued by the Western Union** is being criticised as making an undue reduction in rates, some companies claiming that it puts them below the profit line. Lumber losses have been very heavy recently, and more are expected owing to the continued drought.

No **State rater** will be appointed for **Kentucky** until the expiration of the fiscal year of the Kentucky Board, November 15. It will be reorganized, giving up control of rates, and by that time negotiations for an independent rater are expected to be included.

The report from Fernie, British Columbia, concerning the insurance **loss by the great forest fires** in the Elk Valley is that it will aggregate $3,500,000, of which one-half will fall upon American companies through their Pacific Coast departments.

Alabama policyholders of the **Mutual Reserve Life** of New York have formed an organization to employ counsel to bring suits against the receivers to recover the premiums paid to the company. So says the Montgomery *Journal.*

Only **riders** covering subjects specified by the statutes can be **attached to the standard form** of fire insurance policy in Minnesota is the opinion of the Attorney General in answer to the Insurance Commissioner.

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The **Germania of New Orleans,** which is being absorbed by the Teutonia, had fire insurance premiums of about **$55,000 a year,** all in New Orleans and suburbs, and nearly all on preferred business.

The **Walla Walla Fire** reports a premium income during the first six months of 1908 of $181,895, as against premiums of $180,698 during all of 1907.

Personal.

AGENCY APPOINTMENTS.

British America and Western: Ervin J. Dickey, special agent for South Carolina, Georgia and Florida, with headquarters at Atlanta.

Insurance Company of North America: H. F. Harwell, of McMinneville, State agent for Tennessee.

North British and Mercantile: P. W. Gedney, special agent for Montana, Idaho, eastern Oregon and eastern Washington, with headquarters at Spokane; E. J. Young, of Seattle, special agent for western Washington and western Oregon; George W. Harsh, special agent in North and South Dakota, with headquarters at Fargo.

Prussian National: J. N. Hobbins, special agent for Pennsylvania outside of Philadelphia, and also for West Virginia and North Carolina, with headquarters at Pittsburgh.

Virginia State: Charles J. Jahnke, of Chicago, special agent for Illinois and Indiana.

United States Manager Charles L. Case, of the London Assurance, was recently presented with a handsome English gold watch and chain by the governor of the board of directors, in commemoration of his twenty-one years of service with that company. The presentation to Manager Case was made at a luncheon he attended while in London.

Mr. L. H. Clarke, who has been cashier of the United States Casualty Company for several years, has been elected assistant treasurer of the company. Mr. Clarke succeeds George W. Lynch, who has been made vice president and general manager of the Belt Line Railway concern.

Mr. Ferdinand A. Hoyt, Sr., of Newburgh, N. Y., who was for twenty years the representative of the Northwestern Mutual Life of Milwaukee in the Hudson Valley, died at Fishkill Landing August 6, aged seventy-three years.

Mr. P. H. Behan has resigned as general agent for the Michigan Mutual Life at Cleveland, after eighteen years of service. A. E. Ferguson, of Toledo, and C. A. Mooney, of St. Marys, succeed him as Ferguson & Mooney.

Mr. J. C. Prioleau, of Charlotte, N. C., has resigned the special agency of the Continental and the Fidelity for the Carolinas, and will return to the sprinkler department of the South Eastern Underwriters' Association.

Judge George A. Vanderveer, former vice president of the National Surety Company, was killed this week in a collision between his automobile and a Rock Island train near Hutchinson, Kan.

Mr. W. H. Gould, the actuary who quit the State Mutual Life of Georgia, has accepted the position of actuary to the Volunteer State Life of Chattanooga.

Mr. Miles M. Dawson is making a tour of Europe and incidentally writing about insurance conditions in the countries which he is visiting to the *Chronicle.*

Casualty and Surety Insurance.

Unusual accidents of the week are as follows: A Worcester, Mass., man died from having ten teeth extracted with laughing gas, death resulting from heart trouble aggravated by the nitrous oxide gas; struck in the breast bone by a log which he was feeding into a saw in a carpenter's shop, a man died from a severed liver before reaching the hospital; a New York deputy fire chief had his leg badly wrenched, his right arm strained and a hip badly cut as a result of a collision on the way to a fire; a boiler cleaner employed by the Brooklyn Rapid Transit Company was killed at work by coming in contact with a live wire; a detective had his arms badly cut by shattered glass while raiding an alleged gambling place; a jockey was thrown from his horse and killed while riding in a steeplechase; while picking cherries at his Long Island home, a seventeen year old boy fell from the tree to a fence underneath and died from his injuries; while trying to lift a box over the railing of a piazza at his summer home, a New York dry goods salesman fell against the railing, which broke, and he was hurled to the ground, 10 feet below, and picked up with a dislocated shoulder and with both arms broken; puncturing with the point of a knife an abscess on his gums, a piano manufacturer contracted blood poisoning and died from his injuries; hit in the temple by a pitched ball, a ten year old boy died from cerebral hemorrhage; while working as an electrician in repairing an elevator in New York city, a man was crushed to death by the car; a match burn on the little finger of a Lewistown, Pa., man, sustained while lighting his pipe, caused lockjaw to set in with probably fatal effects; a Staten Island boy was saved from drowning when he fell into the bay by a spike from the pier catching hold of his bathing shirt and holding him above water; while hanging clothes from the second floor of her home in the Bronx, a young widow sustained fatal injuries by the snapping of the clothes line, her fall resulting in a fractured skull; an overdose of morphine taken by a Tarrytown doctor to cause sleep resulted in his death; struck in the face by an enormous breaker while surf bathing at Atlantic City, a woman had her false teeth knocked down her throat and was nearly strangled before she was rescued; the point of a needle which entered the body of an Indiana woman traveled about her body till it caused death by piercing the heart; thinking his sweetheart was aboard a fast express, which did not stop at the station where he was, a young man was crushed under the wheels as he tried to board a car; startled by a terrific flash of lightning as he lay sick in bed, a veteran railroad man jumped out of bed and was picked up dead; a Philadelphia man who had rigged up a trap gun on the barn door at a farm at which he was staying entered the barn thoughtlessly and was himself instantly killed; two bicyclists were injured, one fatally, when they were run down in the dark by an automobile; a Boston broker sustained internal injuries and a broken hip by being thrown from his tallyho coach; in trying to break in a new pair of shoes, a New York man developed blood poisoning from the dye in his socks coming in contact with a sore; her skirt blown against a rapidly revolving grindstone, a young woman was stripped by the machine, besides being badly cut and bruised about the body, and her rescuer had the flesh ground from the back of his hands; the Prohibition candidate for President was nearly drowned in the swimming pool of the Y. M. C. A. at Lincoln, Neb.

The **joint report** of the condition of the **Ætna Indemnity** of Hartford as of June 30, as exhibited by the examination of the company by the New York and Connecticut insurance departments, was made public this week, and showed the company to have a satisfactory working surplus in both cases, though the departments disagreed slightly as to the figures in some instances, owing to different methods of valuation. The plan of carrying a contingent reserve for certain classes of business at $100,000 has been abolished, and instead the departments attempted to estimate the probable sum necessary to meet such claims. The figures of the Connecticut Department show total admitted assets of $964,189.87, with a surplus of $100,154.92 and a surplus to policyholders of $350,154.92. The premium reserve on business in force (less business reinsured) is given as $323,683.15 and reserve for unadjusted claims at $237,297.50. Commissions on outstanding premiums and all other liabilities are given as $53,054.30. Owing to the fact that the New York Insurance Department disallowed reinsurance amounting to several thousand dollars in the Munich Reinsurance, because that company is not admitted to do a casualty business in New York. the statement of the New York Insurance Department showed a somewhat smaller surplus than did the Connecticut Department. President F. D. Kilburn in a statement to the company's

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agents reminds them that the limit of the size of the bond that the company can write on the 10 per cent. ruling will be $35,000. He further states that it is his belief that the company is $100,000 better off intrinsically than the departments' figures would indicate.

There is considerable opposition among the executives of the various **casualty companies** to the proposed revised **forms of annual statements** required by the insurance departments of the various States for reporting the business for 1908. Copies of the form were sent out this week to the various offices, and the perusal of the schedule fails to find any simplification as to the requirements, while in most respects it is more complicated and confusing than ever. There are twenty-four pages to the document, of a size undreamed of except by insurance departments. The Board of Casualty and Surety Underwriters at the meeting last year appointed a committee of five to advise with the committees of the Insurance Commissioners' Convention as to legislation, and this committee will take up with the various department heads the annual statement blank form on August 24. and it is hoped to have it considerably modified. The committee, of which President Sylvester C. Dunham, of the Travelers, is chairman, has the following members: John T. Stone, Maryland Casualty; William F. Moore, New Amsterdam Casualty; Franklin J. Moore, General Accident; William B. Joyce, National Surety; William Bro Smith, Travelers.

The **Norwich and London Accident** has appointed Payne & Ramsey its **New York representatives,** succeeding J. H. Delesderniers, resigned. The firm of Payne & Ramsey was incorporated in January, 1907, its members being W. I. Payne and George R. Ramsey. Mr. Payne is a liability underwriter of fourteen years' experience, and was formerly a special agent in the New York office of the Ætna Accident and Liability. The new offices of the Norwich and London will be located at No. 1 Liberty street after September 1, and special facilities will be afforded to brokers. H. R. Schneider, formerly with J. H. Delesderniers, will continue with Payne & Ramsey as office manager. The new firm will have the general agency for the metropolitan district and for eastern New York and northern New Jersey.

The judgment of $39,843 in favor of the **Ætna Indemnity** of Hartford, which was granted last April by the Superior Court in Fairfield County, Conn., in the **Layton case,** has been affirmed by the Connecticut Supreme Court. However, a cross appeal from the lower court's decision has been filed by the Ætna Indemnity because it believes that it is entitled to more money. The Ætna Indemnity was Jacob M. Layton's bondsman as administrator of the Lowndes estate. Mr. Layton was cashier of the First National Bank of South Norwalk, Conn., at that time, and mixed the assets of the estate and those of the bank, with the bank's knowledge. The company paid the Lowndes estate a big claim, and then sued the bank for the amount.

The **guarantee of bank deposits** by a national bank in **Oklahoma** will not be permitted by the United States Attorney General's decision, notice of which has been forwarded to the banks by Acting Controller of the Currency Kane. The Attorney General's opinion is that it is illegal for any national bank to enter into such an agreement as is contemplated by Section 4 of the Oklahoma law. Forfeiture of charter may be the penalty for such action, while national banks that have already become a party to such an agreement will be compelled to withdraw.

The **North American Accident** of Chicago has run **afoul** of the **California Insurance Department,** and the department has asked for a detailed explanation as to why claims against the company in California are not paid. The department claims that more complaints have been made against the conduct of the North American Accident than any other insurance company operating in that State.

The final payments by subscribers to the stock of the **New York Surety Company** have been called for by the Guardian Trust Company as trustee. The initial capital of the company, amounting to $750,000, has been fully subscribed. There will be two payments, due, respectively, on August 15 and on September 7. The company has been organized by John J. Caulett, who will be its president.

Although the **Consolidated Casualty Company,** which is being organized in Philadelphia with a projected capital of $1,000,000, has secured a Pennsylvania charter, the company expects eventually to make its headquarters at Washington, D. C. The stock will not be sold to any one person for a larger amount than 100 shares. The chief promoter is Ira A. Manning, of Philadelphia.

That the arrest of certain **confederates** of the **defaulting cashier,** William Montgomery, of the Allegheny National Bank of Pittsburgh, may soon be brought about is the opinion of Bank Examiner William L. Folds. He believes that other arrests will be justified, and with that end in view is devoting more time to the noted case.

At a meeting of the **Burglary Underwriters' Association** yesterday the following committee was appointed on **policy form revision:** W. F. Moore, New Amsterdam Casualty; W. P. Larned, Fidelity and Casualty; R. W. Keeler, Empire State Surety, and David W. Armstrong, Jr., National Surety.

In a short time the **Ætna Accident and Liability** will be ready to actively begin writing plate glass and burglary insurance business. In preparation for the start the plate glass policy contracts have already been approved and printed, but the department has not yet been organized.

The current paragraph reprinted in last week's issue that the **Norwich and London Accident** had divided its New England field was an error. The change really referred to the Norwich Union Fire, which has divided its New England field.

The United States Treasury Department has issued a form of **reinsurance agreement** applicable to **surety companies** which are writing bonds running to the United States Government.

The **rate on depository bonds** has been raised by the Empire State Surety of New York from 25 cents to 50 cents.

The **Illinois Surety** of Chicago will not enter Connecticut and Delaware at present.

The **New Amsterdam Casualty** is preparing a new accident and health policy.

The **Norwich and London Accident** has been admitted to New Hampshire.

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NATIONAL ASSOCIATION OF LOCAL FIRE INSURANCE AGENTS.

Thirteenth Annual Convention at St. Paul, Minn., This Week.

(*Special Report.*)

ST. PAUL, Minn., August 13.—The thirteenth annual convention of the National Association of Local Fire Insurance Agents met on Tuesday morning in the Hotel Ryan, with President Offenhauser in the chair.

Mayor Lawler, of St. Paul, welcomed the convention to the city. He said, in part, that the citizens of St. Paul felt deeply gratified that the association chose this city for the meeting of its convention, and heartily extended a welcome to it and the privileges it contained, with the hope that they would be accepted and enjoyed. Though the introduction he was given mentioned politics he would refrain from discussing them, excepting to say he felt that the Federal Government was "encroaching upon our State rights. Our State is Democratic, St. Paul is Democratic. The Government is Republican. It has assumed the control of the weather. We will concede to it the right to govern provided it will guarantee to have fair weather while your convention is in our city." He referred to the mayor of Minneapolis, who, he said, heartily joined in the welcome to the twin cities.

Governor Johnson was on the program to speak a welcome on behalf of the State, but he was not present, and Insurance Commissioner Hartigan represented him in a very satisfactory and pleasing manner. He said that the interests of the agent and the company were one and hoped that they would work together in harmony. He deprecated rate cutting and rebating and facetiously advised that all commissions be abolished by the agents, which course would be heartily approved by the public and the companies.

Mr. F. H. Wagner, president of the Minnesota Association of Local Fire Insurance Agents, spoke the "Welcome to the Northwest." He enumerated everything in the heavens above and the earth beneath; all things animate and inanimate on this globe, and said that they could all be found in St. Paul and all belonged to the convention while here. In concluding he paid a compliment to the St. Paul Fire and Marine insurance company.

A response to these welcomes was made by F. W. Leballister, of Oakland, Cal., secretary of the youngest local association, which already has three hundred members.

The clerk of the convention, Mr. Putnam, then called the roll and twenty-nine State associations were reported present by delegates.

The chair appointed Messrs. J. W. Haas, of Minnesota; McMullen, of Tennessee, and Keener, of Connecticut, a committee on credentials.

PRESIDENT'S ADDRESS.

President Offenhauser delivered his address, from which the following are extracts:

In reporting to you upon the past year's work I am moved to a feeling of the deepest gratification at the excellent results achieved. It has given me the profoundest pleasure to note during my term of office the interest being manifested by leading agents everywhere in our efforts to perfect the American agency system. Indeed, it has been positively refreshing at times to observe the earnestness with which our officers and members performed the duties assigned them, and had I the time I should be glad indeed to give you in detail the sentiments expressed by some of the old and tried war horses, as well as some of the newer enlisted agents, evidencing their faith in the principles espoused by our organization. Not only are agents becoming more and more wedded to these principles, but the companies are not unmindful of the services we have rendered fire underwriting, and there is a growing tendency on their part to seek our co-operation in bringing about needed reforms. We regret a disposition on the part of a few to frown on our efforts as impertinent, but I sincerely believe that those who are not now in sympathy with us will sooner or later be converted, and that companies and agents will be united in one harmonious effort to make fire underwriting more of a science. * *

The recent agitation in Southern States of the all important question of local agents' compensation and the apparent "rebuff" met with at the hands of the South Eastern Underwriters' Association is fresh in the minds of all, and it is much to be regretted that the conferences on this subject should have been terminated. The committee representing the agents had every reason to expect more consideration at the hands of the company association, since at a previous conference called by the special committee of the South Eastern Underwriters' Association the agents were led to believe that some change in commissions would be recommended. It is not strange, therefore, that general resentment followed the disappointment felt at the sudden cutting off of negotiations. It is gratifying to learn, however, that there is a possibility that these negotiations will be resumed.

The interest which all our members feel in the question of compensation makes it wise for our association to consider this question in its broadest aspects, viewing the situation from all standpoints, as it affects the companies, the assured and the agents, with a view to reaching the wisest decision as to the attitude of this association toward the whole problem.

The present system of selecting and appointing agents is wrong. There is hardly a trade or profession which places so little premium on intelligence and experience. The everlasting greed for premiums seems to overshadow all regard for competence and qualification. Many of us can recall instances where supplies have been proffered to an unsuspecting individual who was really astounded to learn that he was capable of representing an insurance company; and whose reluctance to accept so important a trust was met with the encouraging words, "Go ahead, Mr. Blank, just give us the business; we will do the headwork." Of all the crudities with which we are burdened this is the most absurd. Instead of building up a profession to which it is an honor to belong, we have lessened public respect and hindered progress in perfecting the American agency system. * *

Among the responsibilities which the local agent assumes none is more important than bringing about a better understanding between the assured and the insurer. It is generally appreciated that our business must be divorced from secretive methods if we are to allay the ever growing prejudice which meets us on every hand. To ignorance of the true relationship that should exist between the policyholder and the company can be ascribed many of the difficulties we encounter. The fault lies largely with local agents who miss many opportunities to show that a certain mutuality of interest enters into this relationship which cannot be ignored. The public should be taught that fire insurance companies are merely custodians of the trust fund accumulated from the insurance tax, and that in fixing the rate of premiums chargeable to each individual risk it is purposed to so classify the business as to exact from no class any more than experience teaches will enable the company to carry out its contracts. Because all responsible companies demand a uniform rate is no evidence that there exists a conspiracy in restraint of trade. The insurance tax can only be arrived at through the combined experience of all companies within a given territory and for a term of years. There must be some method of utilizing these results to secure an intelligent distribution of the tax.

Many States have enacted drastic anti-trust laws, prohibiting the companies from conferring on rates because of the mistaken opinion that the company should be classed with the great combinations of capital which, through means not always honorable and fair, seek to control the supply and demand of some product, to the detriment of the people. As a matter of fact the companies bear not the least resemblance to a so called trust, there being neither a combination of capital nor a division of profits. In all localities where companies have been forced to abandon their

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rating machinery discrimination in the insurance tax inevitably follows. We might better this condition by trying to create public sentiment favoring a compulsory apportionment of the insurance tax by the companies. This should be unhampered by political entanglement or State supervision, to the end that each individual insurer might pay only his just proportion of this tax.

REPORT OF THE EXECUTIVE COMMITTEE,

Mr. Thomson, of Minneapolis, read the report of the executive committee, which congratulated the association on its continued growth in power and influence. Of the list of co-operating companies submitted at the midwinter meeting of officers and committee the report said:

Data were submitted regarding the practices of a number of companies and brokerage firms that indicated a total disregard of their acceptance of the principles of our association in regard to overhead writing and illegitimate brokerage, and after discussion it was voted to drop such from our list of co-operating companies.

The publication of this list in the *Bulletin* excited the attention of companies and agents, resulting in considerable correspondence from both companies and agents of companies which had been dropped from the list, also from companies not included in the list, several of whom have since applied for admission, and, after full correspondence, your committee finding them to be in full accord with our requirements, they have been printed in the list.

Your committee has taken a rigid stand on qualification and has adopted the rule that "a man is known by the company he keeps," as being the truest indication of character. For instance, a company may conform to all of the principles of our association at its home offices but place its interest in the hands of a general agent in certain States, who conducts the company's business at total variance with the interest of the members of this association. In such cases your committee has refused the company a place on our honor roll.

There have been many requests from agents that the list of companies dropped from our list should be printed. Also inquiries as to what action agents representing these non-co-operating companies should take.

The association, at present, advises only preference in the placing of business against companies not appearing on our co-operating list. Your committee believes the convention should consider whether any further action is desirable, and whether the list of non-co-operating companies should be published as well as that of co-operating companies.

Of the future of the national association the report said:

We recommend the appointment of a committee to review our constitution and by-laws and consider whether any changes are needed to meet future conditions, reporting thereon at the next annual meeting.

The opportunity for effective work in our association is hindered only by our lack of funds. This difficulty we believe we shall in time overcome, for there is a growing appreciation among agents of the importance of this organization. We have a splendid history behind us, and great future possibilities. The influence of this association is now felt, to a greater or less degree, in almost every quarter of the country. It has proved a great conservative force—always ready to defend the agent against injustice, to help the companies in their troubles, and to meet the insured in every honest endeavor to improve insurance conditions. All this your committee believes is worth keeping, at whatever cost.

In accordance with the closing recommendation of the report the president appointed Messrs. Thomson of Minnesota, Hatch of Connecticut, Manson of Wisconsin, Lieb of Pennsylvania and Merrell of New Hampshire a committee on ways and means.

A resolution was adopted to appoint a committee on resolutions, to be composed of one delegate from each State association.

REPORT OF THE GRIEVANCE COMMITTEE.

At the afternoon session, which began at 3 o'clock, the report of the grievance committee was read by the clerk. Regarding the matter of expirations the report said:

Probably the most important matter handled by your committee this year has grown out of the question of expirations following reinsurance and change of agencies. Complaints were received from Bellefonte, Pa.; Curwensville, Pa.; Des Moines, Ia.; Glenwood, Ia.; Waterloo, Ia.; Chicago, Ill., and Greensboro, N. C., and were treated by the committee under the rules of the National Association as far as these at present would reach. Little difficulty obtained in getting companies concerned to recognize expiration equities following reinsurance, as set forth by the National Association, as follows:

"Agents of the reinsured company shall continue the business with the reinsuring company until expiration. The reinsuring company will respect the expirations of agents of the reinsured company and not solicit renewals from the insured. The reinsuring company will furnish the schedules of the reinsured company to its agents everywhere for the purpose of enabling them to make indorsements. Agents of the reinsuring company will be instructed not to solicit the expirations where the business of the reinsured company has been acquired by legitimate practices."

There should be a better definition of equities between agents themselves respecting expirations when a company is transferred from one office to another, and your committee would urge the necessity of the adoption by local agents and local boards of the recommendation of the Richmond convention on this subject.

"Members of this board shall consider the knowledge of expirations of risks placed with them by fellow members, or coming into their possession by reinsurance of a company or transfer of a company from one agent to another, as confidential and soliciting of such risks by them or by others over whom they have control shall be considered as a violation of the rules of this board and contrary to the spirt of personal honor upon which the association is founded."

Since this recommendation appeared it has been adopted by a number of State associations and several local boards. The universal acceptance of the principle enunciated would eliminate great friction between agents following changes, resignations or reinsurance. The agitation of the National Association incidental to the reversal of the Yonkers injunction, and following the same, has led companies generally to accept the rule that the business belongs to whoever can control it at equal rates, which means the agent in ninety-nine cases ouf of one hundred, and eliminates attempts of companies to control expirations either by injunction or by rate wars. Your committee recommends that agents who do not do so should maintain an expiration list of their own, and not depend on company records, which they must promptly return to companies in case of agency change.

The following reference was made to the threatened rate war at Muncie, Ind.:

The National Association, through Secretary Putnam, endeavored promptly to adjust its machinery to eliminate the trouble at that point for the benefit of all concerned—agents and companies as well—and to this end sought information where it had a right to seek and expect it, upon which intelligent action might be taken.

The companies did not see fit to respond to the call of this association for information, most likely because our contemplated interference was regarded as presumptuous. All should understand, however, that when a fight is on between Union and non-Union interests concerning rates, or whatever else, the result of which means the grinding to pieces of local agents, this association will surely, though guardedly, appear to protect agency interests in honor, and guarantee to its humblest member his right to the peaceful pursuit of his calling on an equality basis just and fair with his competitors.

The report said that but few complaints of overhead writing had been received through the year. Of friction between the grievance committee and the companies, the report said:

There have been two or three cases where members of the National Association in certain localities have asked our influence in correcting local evils. We have tried to help them, but we regret to say that our advances have not always been well received by companies concerned, especially from certain large agency companies to whom we have looked for cordial co-operation. Indeed, we may say that our action has caused criticism privately among leading company officers and has also been criticised at meetings of important company associations.

REPORT OF THE COMMITTEE ON LEGISLATION.

Mr. Markham, of St. Louis, read the report of the committee on legislation. It dealt largely with the difficulty imposed on the committee of using its influence in preventing hostile legislation when in certain States bills are introduced at the instance of agents' associations, which may be plainly injudicious. An instance was cited as follows:

If Vermont reports to the national legislative committee that it proposes to repeal the law which now forbids the payment of commission to non-resident brokers on Vermont risks owned by non-residents, your committee would have no difficulty in approving such a project, because we know that the Vermont law

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drives business to the New York market to be placed in companies not licensed in Vermont. But when Mississippi proposes a deposit law, what is the right course for your committee to pursure? The State association members think that they are right, or they would not propose the law.

In reference to rating in anti-compact States the report said:

It is the belief of your committee that the local agents in the anti-compact States are being driven, by the inadequacy or incompetence of existing makeshift rating machinery and by growing disregard of the rates thus made, to obtain the legalization of rating organizations. Thus a strong body of Texas agents are in favor of going the whole way and establishing a rating bureau under the control of the State. In Iowa there is a project to compel companies to file rating schedules with the State authorities, while in Missouri general opinion favors an attempt to obtain from the Legislature the right to re-establish the old local boards, not, however, to make rates but to adopt and support rates made by the bureau system, with right given to the Insurance Superintendent to supervise the fairness of the rates.

Shall the National Association set aside Bylaw No. 4 and let the State associations bring forward their rate reform projects independently (which would certainly give the maximum of liberty of action), or shall the National Association follow Bylaw No. 4 and endeavor to keep the State legislative projects within limits wherein a reasonable concurrence of opinion exists both among local agents and in managerial circles? Many of the best local agents greatly desire that the National Association undertake the task of harmonizing the projects of the State associations. Suggestion has come from Texas that a convention be called to include the insurance superintendents and the attorney generals of Texas, Arkansas, Kansas, Iowa and Missouri and the local agents' legislative committees of those States, to try to agree on the fundamental truths of this insurance rating proposition and to develop a remedy universally applicable. Too much objection appearing, this idea was abandoned, but it is interesting as indicating that changes are surely coming in these anti-compact laws.

Your committee suggests an immediate conference at this convention of legislative committeemen from anti-compact States, to prepare a resolution for submission to this convention, and we request such gentlemen to give their names and St. Paul address to the secretary, so that such a conference may be called.

The report concluded with an appeal to managers to do all in their power to bring about some harmonious adjustment of the differences in the Southeast and urging the members of the association to the most patient and broadminded treatment of the whole proposition.

THE IMPROVED RISK.

Mr. H. L. Phillips, of Hartford, manager of the Factory Insurance Association, read a paper on "The Improved Risk," in which he sketched the origin of the association, its organization and its relations with the insured. Regarding the local agent's part of the work Mr. Phillips said:

Some of you are undoubtedly saying to yourselves: "Where does the agent come in," which we will now endeavor to explain. Success cannot come in any business without the active and earnest co-operation of all interests involved. All must join hands for the common good—the manufacturers, the companies and the agents, and the greatest of these three is the agents, so far as the securing of business is concerned. Even as the most attractive commodity, though it be advertised far and wide, cannot be secured except it be offered the public by the retailer, so will the factory insurance associations not become known except they be presented and explained to prospective clients by the local agent.

It is also the custom for the factory associations, as you all probably well know, to work in full harmony with the various underwriting associations, and there is no desire or intention of interfering or entering into conflict in any way with any established customs or practices.

Owing to the fact that the scheme involved furnishing insurance to manufacturers at practically cost, it became apparent at the outset that every feature of expense should be reduced to an absolute minimum, and in that way it was felt that the scheme would not be a success in every way unless the commission feature was handled in this same manner; but the fact must not be overlooked that when business is written by the factory associations the agent is saved a number of expenses which fall upon him when placing factory risks through the regular agency channels. There is the feature of writing policies and printing forms, a small matter, but nevertheless not to be overlooked; but there is also eliminated the need of special visits to the companies to secure authorizations on large factory risks, which in some cases we know is quite expensive, for all that is needed under the method of the factory insurance associations is a 2 cent stamp upon a letter giving the order for the business, and "we do the rest."

CO-OPERATION WITH THE AGENT.

Nor is there any desire or intention on the part of the factory insurance associations to interfere in any way with the pleasant personal business relations and connections which exist between the agent and his client. It is much better for us and the results are more satisfasctory when the agent and the factory associations work hand in hand along the same line and toward the same end, and we can truthfully say that this is our attitude invariably and that we do not swerve one iota from this course, but do everything we can to make the relations more pleasant.

One feature which should not be overlooked, although it is probably not necessary for me to remind you of it, is that the securing and placing of a line of insurance on a factory with the factory insurance associations establishes business relations between the agent and the client and brings to him almost invariably additional business of other classes of insurance.

As an evidence that even 5 per cent. commissions will in time amount to a great deal, or as the old adage says, "Little drops of water, etc.," I have made a most conservative estimate as to what the commissions would have amounted to on this factory business, had just recognition been given manufacturers at the outset, and taking these commissions on the basis of minimum rates I find that they aggregate practically $3,500,000. The business is there; it is business that we want and it is business that is worth getting, but it cannot be secured without an effort nor can it be obtained without the co-operation of those who control the business and who bring the business to the companies, namely, the local agents. If I remember correctly, one of the most interesting and instructive essays ever delivered before your organization had for its subject "Tempora Mutantur," and I can think of no more forcible appeal to make to you at this time and in connection with this subject than the fact that "times are changing."

Though one of the younger generation, I think it is an acknowledged fact that underwriting methods are different now from what they were years ago, and I think I may truthfully say that the methods employed in handling the business twenty-five, or even less, years ago would not be applicable in the least to present conditions, and as it is a condition and not a theory which confronts us, we must of necessity apply the most up to date treatment lest we fail in the performance of the work which is allotted to us.

THE IMPROVED RISK IN GENERAL BUSINESS.

I am inclined to think also that these changes in the conduct of the underwriting business are not to be limited to one group or class of risk, but that the business of general underwriting is likewise undergoing a change or transformation.

The improved methods of construction in which the greatest strides have been made during the past five or ten years, coupled with the application of advanced fire protection, are just as sure to extend into the general business as that daylight follows darkness, and this changed condition should be welcomed by each and every one who is interested at all in the proposition, and all should be interested, because what is there that will tend to stem the tide of growing conflagrations with any success but the introduction of fireproof construction, together with automatic fire extinguishing apparatus.

A careful study of the many conflagrations which have occurred in this and other countries shows that conflagrations are stopped in three ways. First, by burning themselves out, there being nothing left for the flames to feed upon; second, by being brought under control with the assistance of apparatus summoned from the nearby cities and towns, and third, by being hemmed in and stopped by buildings of improved or fireproof constructon, equipped with automatic fire apparatus.

The first is a relic of the dark ages; the second not always reliable and likely to be expensive, but the third is well within human control.

To increase the rates will not stop conflagrations; to refuse to issue policies in a given congested district may protect the insurance company but offers no help to the community, and while the applications of fireproof construction and the introduction of fire protection tend to lower rates and thus decrease the compensation of the agent, the public will demand these things and no power under heaven can stop the advance any more than we can dam the waters of Niagara.

Mr. Phillips in concluding his paper referred to the work of

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the National Fire Protection Association, and urged its support by this association.

The paper was received with enthusiasm, and a resolution was adopted to appoint a committee of three to arrange for the membership of this association in the National Fire Protection Association. On motion of Mr. Beardsley, seconded by Mr. Markham, a vote of thanks to Mr. Phillips was passed.

REPORT OF THE SECRETARY.

The secretary read his report, which was a recital of the history of the association and what it had done to correct the evils of overhead writing, non-resident cut rate brokers, agents' expirations, rate wars and rate cutting. The future of the association depended upon the intelligence displayed in legislation and the initiative of the whole membership. This organization can make the agent more positive in his initiative, more courageous and independent in his individual action, but it cannot furnish him with the success which he must find for himself.

The committee on organization reported that the membership had increased, and that to achieve this result it had been necessary to educate local agents to the necessity of union for self protection. The report gave a brief review of the organization work done in various States, as a result of which California and Oklahoma had now State associations and increased interest in the association work had been awakened in several other States.

MR. TAYLOR OPENS DISCUSSION ON THE COMMISSIONS QUESTION.

Mr. Walker Taylor, of Wilmington, N. C., spoke as follows:

I have been asked to speak on the "Spirit of the South"—not of the old South, or of the new South, but of the South as it was yesterday, is today and I hope will be for all time. In the outset let me disabuse your minds of the prevalent idea that the South of today is a new South, and graft upon the body and principles of the old South. Such is not the case. The South of today is the product of the principles of the old South.

It is not necessary for me to defend or offer any excuse for the institution of slavery. That episode has passed into history, and without exception every man in the South is glad that it is a past incident in the public life of that section. That it was an economic loss and retarded our material development we frankly admit. But the civilization that the conditions of the old South brought about, the political principles that grew out of it, and the type of men that it produced will ever remain an inspiration to those who can claim as a heritage such a history.

Under this civilization there was developed an individualism which is without its prototype in modern history, and it is because of this characteristic that the Southern people were able to endure conditions growing out of the Civil War which would have resulted in a dissolution of society among a people otherwise bred and without so marked a characteristic of individual initiative.

I stand before you as a scion of that civilization, the son of a Confederate soldier who offered his life and material possessions on the altar of his country, and left his children nothing but the heritage of patriotism and sacrifice. The conditions bequeathed to the South as the result of the Civil War were such as to call into play a heroism and endurance and abiding faith unsurpassed by deed on the battlefield in any age and by any people. But for the strain of men that our old civilization produced it would not have been possible for the South to have withstood the shock of reconstruction, and with any other people recovery would probably have been measured by a century instead of by a decade. The same characteristics that enabled the South to restore order out of chaos and to preserve inviolate its Anglo-Saxon purity have availed to bring about a development which even the recuperative power of France, unaffected by a great social problem, has never equaled. In the restoration of our wasted country our only assets were our character and abilities, and single handed we reclaimed the government from incompetent hands, maintained the integrity of our society, and in forty short years we have built up a prosperity that is the wonder and admiration of the world.

There is no section of the Union that is today contributing more to the material well being, the political stability and the social soundness of the people than the South. We receive less favors from the Government and pay the largest proportion of the taxes, while prepared to shed our blood in defense of the country without limit and without calculation.

The North has finally come to accept the South at its true value, and to count upon its patriotism as surely as that of any other section; but there still linger a few excrescences of inequality, which should, and I believe will, be speedily removed. We have come to our full political rights and enjoy equality in many other respects, and because of these facts we naturally chafe under any condition which does not apply alike to other sections of the country. We ask for no special favors, we ask for no undue privlege, but we demand equality of treatment. More we would not expect, and less must not be given us.

I have now special reference to the compensation allowed agents of the South as compared with that allowed other sections of the country. Southern people see no reason why the South should be required to labor for a 15 per cent. uniform commission when other sister sections are receiving greater compensation, and because of this fact some evidence of ill will has manifested itself.

You know that Louisiana has acted through its Legislature, and in my judgment acted unwisely, and so thought the Governor of Louisiana, who vetoed the bill; but because I think the people of Louisiana acted hastily, and because the Governor vetoed their action, must not be taken as a reproof of the demand for equal treatment, but rather as an earnestness of our faith in the triumph of the right. We are too proud to submit to injustice, too high minded to demand that which is not our due, but are fully determined to have what rightfully belongs to us.

Our labor is as valuable to our companies as the labor of other agents, and all we ask is that our companies treat us on a footing of absolute equality. We spurn an advantage, but will not supinely submit to a disadvantage. We claim our rights as American citizens, and are not willing to accept anything in derogation of our claim.

"The spirit of the South" has always been, and will always be, for equal rights and a square deal.

MR. KENNEDY IN FAVOR OF CONTINGENT COMMISSIONS.

Mr. Allen Kennedy, of Fort Smith, Ark., spoke as follows in favor of the contingent commissions plan:

What is fair compensation is a man made proposition. It does not exist in nature. Man gets out of tune with his fellows, and then the question arises. But in all the world outside of human kind we find not only fair but perfect and absolute compensation. There is a balancing of all the forces of nature, a give and take principle in every phase of spiritual and physical existence. The first lesson given to man was that only in the sweat of his face could he eat bread.

The rule was laid down early in the world's history that labor should be rewarded. And as a man now again most prominent in the nation has put it: "There is a divine law of rewards," and that law is that as you contribute to the welfare of society you should profit in equal ratio, and, brought down to everyday parlance, "the laborer is worthy of his hire," from which it is not just to deprive him of even the smallest part.

A just compensation confers a double benefit, for it leaves nothing undone, nothing to answer for. It is only in politics that we find operative the principle of "Heads I win tails you lose." God is too just to fix any burden upon us without adequate return, but man has learned the trick, and has pushed it to the limit, until we find the getting of fair compensation the great question of the day, dividing men in every department of human endeavor.

COMPLEX DUTIES OF THE LOCAL AGENT.

It is not worth while to speak of the long fights between capital and labor, that is too well known to need elaboration; nor is it necessary to this discussion, for, while we are all laborers, every occupation, profession and craft coming under the general head, the business of insurance comes in a class to itself, and the occupation of the local fire insurance agent is a distinct subdivision of that class. His duties are simple and easy and yet hard and complex. If he grows into a proficient servant of his companies he must spend years of study of the principles of the business; he must be up on the laws of agency and contract; he must be posted in the use of language in order to construct a policy form; he must know something of every kind of merchandise, machinery and manufacture; he must be a student of explosives and electricity; he should know how to arrive at the value of a great many things; how to keep books and accounts; he must be an all around good fellow, and know how to approach men in all phases of life, to be affable, to be kind, friendly and polite; he must be able to adjust himself to all conditions, to run with the hounds and hide with the fox, to open a jackpot and to pass the contribution plate; and sometimes we find him so dexterous that he is both devil and saint. He must take everything with a good face, eat cornbread and cake with equal facility, make love to the girls, kiss the baby and pat the old man on the back. He

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must be as wise as a serpent and harmless as a dove. These are but a few of the characteristics which go to make up the successful local agent.

Then in addition to all these qualifications he must be honest, faithful and true. He must collect the thousands and thousands of dollars which go to pay the millions of losses every year; he must save out only his part, remitting the balance monthly, in cold cash, to the company, even though he may have been forced to collect oftentimes anything in the way of chattels the assured was willing to part with as premium; he must have that kind of liver in his anatomy that he can cancel off a risk at his own expense when conditions demand it in the interest of his company. What higher type of manhood can be found in the world than this? I ask you to look again at the picture. Is there any comparison between him and any other human being on the face of the earth? Then

WHAT SHOULD BE HIS COMPENSATION?

If it were not for the fact that we have, it seems, an established ratio of loss of anywhere from 60 to 100 per cent., according to circumstances, such as panics, conflagrations, earthquakes and the will of God, I would say that the agent should have 85 per cent. and permit the company to have the other 15 per cent. He *could* not be overpaid for the quality of his service and his contribution to the genius of the human race. But, unfortunately, after paying him and the losses, the stockholders demand something, and there's the rub; there is where the question takes on its most serious aspect. Here are two separate and distinct interests to be provided for, and in the proper provision for the one, I am much persuaded, lies the safety of the other.

Does not the first responsibility and liability of the company lie directly and through the agent, before any company official or representative can know of the binder? Does not the agent open the way to the treasure of the stockholders before they can, by any means, shut the door to an undesirable policyholder? By what means, then, can the company guard against the overanxious desire for the commission in the first place, and an error of judgment in the second? There is but one effective way—make him a partner in the business, and as he can seldom be a stockholder give him an interest in the profits.

I have long been an advocate of the contingent plan of remuneration for agents. I believe it to be best for all concerned, the company, the public and the agent. I think its general adoption would lessen the losses and cheapen the rate, making profits more sure and insurance less dear. I know that it is contended by some that after an agent has had a loss early in the year that the tendency would be for him to place his new business where it would be more likely to earn him a contingent; but if the rule were general the losses, varying in the different agencies, would equalize this tendency, for what a company would lose here it would gain there, and besides I do not think that many agents would act on that principle.

If the company can trust him to cancel at his own expense, thus avoiding the loss of large sums, I should not think it would hesitate to trust him when it stands only to lose the premium on a few new risks. This is the age of co-operation, and distrust it, draw back, fight it as ye may, the day draws nearer and nearer when capital must make use of this principle. In fire insurance I believe it is imperative if the fire waste is to be controlled.

THE COST OF UNQUALIFIED AGENTS.

Underpaid, untrained, uninformed, irresponsible agents binding their principals for millions every day is, as we well know, a part of the business of fire insurance, as it is now conducted. Agents come and go, leaving a trail of ashes behind them. President Sam, of Hayti, was not far wrong when he drove insurance out of his republic as a cause of fires. And ignorant, irresponsible agents by careless writing, and overweening desire for the commission, cause fires enough every year to pay the dividends of all the companies.

I believe the universal adoption of the contingent would eliminate largely this class. They are the men who do not care for the good of the business; they never join agents' asociations; they are rate disturbers and policy form demoralizers. Lift the agent to the dignity of a partnership in the profits and losses of the agency and you make an inspector, a rate maker and student of the business of him. He will soon find that he will lose by one bad risk the contingent profit on a whole year's business, and he will hesitate to bind his company where he should not; he will cancel off when he should; he will order a clearing up and removal of dangerous substances when necessary. In short, you will make an underwriter of him, and the fellow who has not the character and gray matter for such development will be dropped from the roll. And this is as it should be. The company should have a true, tried and trusty agent, whose interest, financial and personal, should be bound up with that of his company. He would be a student of rates and ratios, and he would order his business along conservative lines.

FLAT COMMISSIONS BAD.

Flat commissions paid equally to all agents, good, bad and indifferent, is as bad in principle as 70 cents per hour to every brick mason who joins the union. The union asks no questions as to qualifications; the applicant may be fit only for a hod carrier, but he is taken in, and he is ipso facto a brick mason, and is entitled to all the honors and rewards of the order.

A flat commission operates in the same way. The old and tried and trustworthy agent, who has been years in his calling, who has made profits for his companies, who knows a risk when he sees it, and has the nerve and knowledge to keep off when necessary, is on the same pay with the new man untrained and untried, who does not know a policy from a warranty deed, and in fact often mistakes the latter for the former after a fire. Knowledge and training are put down as naught compared with the fellow who can gather up a few risks.

Contingent commission makes the business of the local agent a profession, drawing into it the best character and quality of men; flat commissions very often degrade it to less than the lowest order of salesmanship. Your salesman must know his goods to sell them, whereas thousands of local agents, the multiple and dual fellows, know not what they do.

THE COMPANIES MUST BE EDUCATED.

But the contingent plan has not found favor with the powers that be. It seems too revolutionary for any immediate hope of adoption. Individually the companies may come to it, but as a class movement it may take a long time to accomplish it. However, all reforms come slowly. Rome was not built in a day, and, as we of the South have for twenty-five years or more stood at the 15 per cent. crib while our neighbors have fed on "graded," and 25, 30 and even 35 per cent. flat, we can afford to contend for such a reformation as will bring good to the entire business. The people of the South are conservative, and her insurance men, managers and agents are no exception to the rule. We believe things should be settled right when settled, and makeshifts do not appeal to us. We may get licked, but we don't give up the fight for that reason. A good licking makes us better fighters next time, and does not diminish our vigor or faith in our cause.

Our representatives who have been conferring with the companies on the subject of commissions have ascertained that the agents of our section of the country prefer the contingent plan, and my opinion is that we should stick to our demand; not officiously nor in an offensive way, but firmly. Believing we are right, we should go ahead. Will it not be as easy to get the companies to adopt a plan of flat and contingent commission, with its long train of collateral benefits to them, as it would for us to induce them to pay us the graded commission with no benefit to them in service or any other way?

If we can induce a change of plan why not secure the one best for all concerned? It is often good to leave the beaten track. Contingent commissions means every agent on the watch tower, and I believe its general adoption in a section of the country like the South would be feasible. At least it would be a splendid opportunity for a trial.

Many evils, such as dual and multiple agents and rate disturbances, will give way before it. There is no power in the world like the love of a profit, and local agents, too, worship at its shrine. The companies will find that fewer agents, under a contingent, will make more money for all concerned, do all the business and at less expense, than on any other plan. Why then, gentlemen, should not the contingent commission be the fairest compensation?

The discussion of compensation to agents was taken up and for three hours occupied the attention of the convention. Members from the Southern States claimed that their compensation was not equal to that of the agents in other sections of the country, and said that all that they asked was fair play and a square deal. Speakers from other States said it would be unwise to have any set rate of commission, as what was fair and adequate for one locality would be unjust for other localities. Others said that compensation was a question to be settled between the company and its agent and was the business of no one else.

The discussion was at times lively and hot, and finally ended in referring the matter to a special committee, consisting of Messrs. Johnson, Mandeville and Beardsley.

The chair appointed Mr. Squire, of Connecticut, chairman of the

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committee on nominations, and Mr. Taylor chairman of the committee on resolutions.

An adjournment to Wednesday was then taken.

WEDNESDAY'S PROCEEDINGS.

Wednesday morning's session began at 11 o'clock with a large attendance and the president in the chair.

The special committee on the advisability of the association becoming a member of the National Fire Protection Association reported favorably and the report was accepted.

The first regular business set down in the day's program was a discussion of the attitude of the association toward local boards and local practices, and it was carried on some time with spirit and heat, resulting in the introduction of a resolution by Mr. Forry, of Indiana, providing that when a company violates the rules set down by the association and does not correct its practices its name shall be stricken from the list of co-operating companies. This was referred to the committee on resolutions.

A CREDIT ASSOCIATION MAN ON FIRE UNDERWRITING NEEDS.

Mr. D. K. Sawyer, of St. Paul, Minn., representing the National Association of Credit Men, read by invitation a paper on "The Business Man and Fire Insurance Agents." He said in part:

The National Association of Credit Men, the organization I have the honor to represent at this time, at its last two or three annual meetings made some suggestions which, if carried out, would lead to the improvement of methods in the conduct of fire insurance. This association desires to co-operate in every possible manner with fire insurance companies in establishing a higher standard for its agents and in the improvement of methods for the prevention of fires. This will reduce the insurance rates now in force, and will prove a great financial benefit to the business world. The Credit Men's Association have, among other things, suggested that before a man is appointed to represent a fire insurance company he should make a study of insurance methods and laws and

PASS AN EXAMINATION,

thereby establishing a standard of qualification to which every applicant must have attained before he can secure an agency. He should not only know the insurance laws of the State in which he does business, but he should thoroughly understand the modern contracts of insurance and the fundamental principle of insurance protection, as well as the judicial interpretation of the policy conditions, which are required in properly advising and protecting his clients.

While a great many agents at the present time are familiar with all these matters, there are still a large number who are not. The latter class represents the company under a certificate of authority, signed by the officers, which gives him the power to bind insurance and sign policies prepared in blank and sent him. He also receives various forms commonly known as "riders" for endorsements under certain conditions. He knows practically nothing of insurance law and as a rule does not understand the conditions of the policy which he issues, nor the effect of the clauses he attaches to the same.

These prepared riders often fail to meet the conditions as they arise, and under these circumstances the agent is ignorantly the cause of a very large part of the litigation and compromises which cost the public many millions of dollars each year. These compromises, besides being unjust, have an effect upon credits and are frequently most serious to merchants and manufacturers. Therefore the uneducated fire insurance agent is a dangerous element to the policyholder. I have known cases in which local agents have advised the insured, where a partial loss occurred on merchandise, not to touch anything until the arrival of the adjuster; this shows how much some local agents know about their business, and confirms the suggestion that they should pass a rigid examination.

THE POLICYHOLDER AND THE AGENT.

As a general rule the policyholder looks upon the insurance agent as his confidential friend in the same manner in which a client looks upon his attorney, depending upon him fully to protect him under all circumstances and conditions in case of loss by fire. The insured usually remarks to the agent, "Write me what insurance I ought to carry on my property," and then pays no further attention to it. He knows nothing about the contract in the policy and does not know whether in case of other policies they are concurrent, whether they contain the necessary riders to protect him, or whether in case of loss his policy is valid, and the agent as a rule neglects to inform him regarding these matters. This, in my opinion, is altogether wrong. I contend that it is the duty of the agent to know that his patron is fully conversant with all the technicalities pertaining to the contract, and that he is informed as to the proper manner of protecting his property and what he should do in order to obtain a reduction of rates.

So long as no fire occurs all goes well, but when it does the insured looks to his "friend," the agent, for advice and protection, expecting him to make an adjustment, believing his loss will be paid him forthwith without any action on his part; but right here is where the insured "wakes up," for a few days after the fire along comes a special agent or adjuster to settle the loss, and then in many cases the insured learns that he has no claim against the company, for the reason that he has not complied with all the provisions of the policy, and in many cases this state of affairs results in either a compromise settlement or litigation. All this, I contend, is the fault of the local agent, who has not performed his duties. The present system may be the only feasible one, from the insurance man's standpoint, but it seems to me there is another side to the question. The doctors told us years ago that consumption was incurable, but science has proven the fallacy of that statement, and I believe

ANOTHER SYSTEM CAN BE WORKED OUT

in the insurance business that will be a great improvement over the present one. The way to reduce rates is to reduce losses, and the way to reduce losses is to interest the local agents to such an extent they will see to it that all possible precautions are used, and that careless and unreliable people are prevented from obtaining insurance.

Under the present system a man who has made a failure in every other business can secure an appointment to represent a fire insurance company, and his sole aim seems to be the amount of commission he can earn, regardless of the hazard. Under such a system is there any wonder fire losses are heavy?

The management of the local business of a fire insurance company is not a fool's business; it is work that calls for skillful and painstaking service, and the way to obtain such service is to appoint only good, reliable, trustworthy men, put them on a salary basis and make them representative of the company in the true sense of the word.

By this method the agent can afford to spend sufficient time and energy to become thoroughly educated in insurance matters, and if he "makes good" he should be a permanent fixture in the company's organization. Under a salary system if the companies can largely reduce the losses (which I believe is possible) they could well afford to treat their agents handsomely. With the educated agent as their representative the business would be as carefully conducted as is the best regulated commercial business, and the net results, both to themselves and the public, would be far more satisfactory.

THE COMPANY AND THE POLICYHOLDER.

There seems to be an inclination on the part of insurance companies to get into closer relationship with their patrons, and I am inclined to think the local agents are largely responsible for this state of affairs. This is most commendable. In this connection the National Association of Credit Men can be of untold benefit to insurance companies and the public at large as a mediator, in the assistance of the establishment of such relations and in the education of the business men throughout the country. Any suggestions the companies or agents desire to make to the Credit Men's Assacoation along this line would be gladly received.

A continuation of this movement will soon cause the public to understand more fully fire insurance methods. In this manner the companies and business men will come into such close ralationship that controversies will almost cease to exist, and by continual co-operation between the business men, insurance companies and the local agents it will be only a short time when we will see a vast reduction in fire losses. There is no doubt but that there is room for improvement on this point, when we compare our losses with those in some parts of Europe and find we have nearly ten times more than they.

The question of a standard form of policy has been agitated for a number of years, with the result that the New York form, which was made up by a committee of the New York Legislature, together with the National Board of Underwriters, and adopted by the Legislature of that State, became the standard form of New York, and later of several other States. This form is recommended by the National Association of Credit Men as the best one now existing. While this form is a good one, I believe it can be largely improved upon. I am of the firm conviction that Congress should adopt a universal policy to be used

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throughout the United States. To this end the Credit Men's Association will gladly lend its aid.

UNIFORM BLANKS.

Mr. Hildreth, of Freeport, Ill., made a special report from the committee on uniform blanks, in which he said in part that the need of uniformity in fire insurance blanks was almost universally acknowledged. He declared that no movement toward reform from the company end had appeared. The association was glad that some company managers had suggested that the association itself take the matter up. The committee believed that blanks should not only be uniform but of standard size, and recommended a narrow form of policy with the daily report in duplicate; also that the manifolding system be used to insure greater accuracy and guarantee that all records real alike, and that practically all important questions be placed on backs of daily reports. There had been left for future consideration the tornado, farm and dwelling house blanks. A complete change in account current blanks was advocated. "We wish it understood," said Mr. Hildreth, "that we do not consider this work complete. We do believe that the general ideas are good and will prove great labor savers. We may properly say in closing this report that we have been actuated throughout by a desire to co-operate with the companies rather than to antagonize them, and it may easily be that practical suggestions will come from some of the companies that may make changes desirable or even necessary, but we think that the foundation has been laid for a very desirable reform on this very important matter of uniformity of blanks."

The paper was referred to the committee on resolutions.

JOINT CONFERENCE COMMITTEE REPORT.

At the afternoon session Mr. Woodworth presented the report of the joint conference committee, in which it was said that at the conference held in New York February 19 all the agency and all but one of the company members were present. The following subjects were discussed and action taken as noted:

Uniform Blanks.—The company representatives suggested that our association prepare such blanks as are desired and submit to them for more definite consideration. President Offenhauser has appointed a committee to formulate such blanks and report to the association.

"And Vicinity" Clause.—This important question was considered at length, and it was the unanimous expression of the committee that when agents of any locality ask for a definite limit of agency boundaries that companies should accede to the request.

Non-Co-operating Companies.—This subject was informally discussed, but no action was taken, as the matter was considered an individual question between each company and the association.

Multiple Risk Industries.—No formal action was taken on this subject, but the opinion was expressed that as far as practicable the wishes of owners as to form should be acceded to with an equitable adjustment of rates to meet the conditions of the contract. Everyone dealing directly with the assured appreciates the advantage of being able to give him what he wants if he will pay for it. The touchy insurer that kicks against a fixed form and a uniform rate would often be satisfied if offered the option of two or more forms and rates. The need of more adaptability and elasticity in this matter is apparent.

Illegitimate Brokerage.—This perennial ulcer was again diagnosed, but no new methods of treatment were suggested. The legislation of the association and the pledge of the companies if properly applied should reduce this evil to a minimum. There will always be found brokers and companies using illegitimate methods to secure business. The ability, attention, fairness and firmness of agents, individually and through our associations, must be depended upon to check and reduce their inroads upon our incomes. The agent who does nothing until the risk is lost, and then only whines, and the agent who emulates the greedy companies and brokers in unfairness are encouraging reprehensible practices and undermining the American agency system.

Mr. Markham made a recommendation that agents patronize Lloyds which co-operate with the association.

A BUREAU OF INVESTIGATION PROPOSED.

Mr. Woodworth offered the following resolution, which was referred to the committee on resolutions:

That a considerable amount of business, upon which the members of this association should receive the commission and agency companies the premium, is illegitimately and often illegally diverted to other channels is admitted. This causes an immediate and continuous reduction in the revenue of the local agent and of the agency companies, and is a peril to the American Agency System.

The legislation of this association and its agreement with the companies on the subject of brokers and brokerage are apparently sufficient as enactments, but their enforcement has not been general and definite enough to produce all the results desired.

Rules and agreements that directly affect incomes are naturally interpreted by interested parties to their own advantage, and upon occasion will be ignored or defied for the same reason. What is needed, then, is not more legislation, but the better enforcement of what we now have, and we therefore hereby request the executive committee to establish a bureau for the investigation of alleged illegitimate or illegal practices; this bureau to furnish all possible aid to members of the association in their efforts to retain local business on their books which may be threatened by non-resident competition and to help local agents regain business which they have lost to non-resident brokers.

This bureau is also to investigate all reported violations of the brokerage rules of this association and of the pledges of the companies made to the association in this matter, the evidence to be turned over to the grievance committee of this association. This bureau is also to investigate cases of alleged violations of the laws of the several States dealing with fire insurance, and when civil or criminal prosecutions seem advisable the executive committee shall furnish evidence to the proper authorities of the State where the action lies and urge the prosecution of the offender.

The said bureau, under the direction of the executive committee or with its approval, may take any further or other action that may be directly in the interests of the members of the association and generally in the interests of the members, companies and property owners.

REPORT OF THE COMMITTEE OF WAYS AND MEANS.

The committee of ways and means reported as follows:

The present method of levying assessments upon the various State associations, a copy of which is submitted herewith, is approved, and we recommend that the same be revised to conform with the present membership and continued for the ensuing year.

We recommend that the finance committee notify the several State associations of their apportionment, with the request that a special effort be made to raise the various amounts apportioned against them.

We also recommend that this convention instruct the incoming executive committee to keep within the resources of the association, as evidenced by last year's income in making up the budget for the ensuing year.

We also recommend that the advertising columns of the *Bulletin* be opened to such companies only as appear on the approved list of affiliating companies.

The report was referred to the committee on resolutions.

MANAGER PATTON ON RATING BUREAUS.

Mr. C. H. Patton, manager of the Cleveland, Ohio, Inspection Bureau, read a paper on rating bureaus. After stating that there are three distinct sources under which fire insurance rates may be published: one through the companies direct or through their direct representatives, the field men; another by means of local boards, and the third through an independent rating bureau, he discussed the first two methods and pointed out their disadvantages. Mr. Patton spoke as follows about the independent system:

We now lead to the "Rating Bureau" question, the subject matter of this paper. As has been mentioned, and for reasons given, there are good arguments advanced indicating that the method of publishing insurance rates by the companies, or by their agents, is necessarily becoming a past practice. Competition, lack of confidence and co-operation among companies and among agents, the inability to procure statistics, the expert knowledge necessary requiring specialization of the subject, the immense volume of insurance, the demands of the public for the minimum cost of insurance and more publicity of insurance methods, including elimination of alleged trust or compact practices —these and the rigid laws of many States primarily are reasons which for some time have confronted the insurance interests so forcibly as to warrant the institution of a more modern and ad-

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vantageous manner of publishing rates to all interests concerned. Many of us know how perplexing the question has been to the companies, and how annoying to the local agents. We also know that much discussion of the subject has taken place between companies and between agents, that the best legal advice has been employed to solve the question, and that attorney generals, insurance commissioners and even legislatures have been appealed to for assistance. This all being true, the logical outcome appears to be the establishment of "Rating Bureaus," conducted independently of agents or companies, or of any outward influence.

It seems reasonable, therefore, to assume that an independent bureau, absolutely divorced from undue influence of companies, agents or the insuring public, created for the sole purpose of equalizing and reducing the fire insurance tax by specializing and influencing individual and municipal improvements in property and fire protection in general, is the best solution of this problem. The functions performed by a properly conducted rating bureau are broad enough to meet opposition from all possible sources, for the reason that an independent bureau directly

SERVES THE INTERESTS OF ALL OPPOSING SOURCES.

This we shall attempt to illustrate. An independent bureau from a standpoint of insurers or the public, is instrumental in reducing the fire waste by reason of its acting as a central office of free instruction to the public for expert advice on building construction and arrangement, the safeguards of hazards, protection from exposure and fire protection. The bureau to a great degree fulfills for the public, by obtaining widespread improvement which reduces the fire loss, that which municipalities and State regulations fail to accomplish. In this respect the public is doubly benefited, as recognition of fire insurance premiums is gained thereby. A reduction of the fire waste is recognized by a reduction in insurance cost.

From the standpoint of the agents an independent bureau can serve them in many advantageous ways. The agents are relieved of the responsibility of rate publishing, and are thereby placed on an equal footing with legitimate competitors, in that their own influence as regards the making of rates or reducing them is as strong as their competitors'. Unbiased inspection reports of property are before the agents defining the desirability or undesirability, from a physical standpoint, of risks which are offered to them as brokerage.

The bureau can aid the agents in securing improvements and reductions in rates, by giving expert advice as to the proper means of obtaining them. The agents are entirely free from committee rating and the evil exchange or trade influences that have in the past characterized rate committee work of agents. Municipal fire protection improvement and State regulations can more forcibly be obtained upon practical engineering principles, in most instances, than through sources unfamiliar with fire protection requirements. When found necessary, for good reasons, as has been the case in recent years, to recommend a general advance in rates on certain classes of risks, and in which agents might individually concur but not care to advocate, such a responsibility rests with the bureau. The agents afterwards often suffer the effects of such exigencies for which they are not to blame or over which they have no control, and their position before their clients is thus milder than were they as agents directly active in such procedures. Above all, the agents are entirely relieved of the tremendous detail and responsibility of rate publishing now incident to this branch of the insurance profession. A rating bureau is

THE LOCAL MOUTHPIECE

in obtaining local municipal and individual improvements to reduce the fire loss; it is the medium through which the companies may obtain expert advice as to physical conditions, occupancy and protection of local property offered them to insure; by constant inspection of properties the companies can better facilitate the handling of insurance; they can deal to advantage more directly with the bureau on inspection matters than with their agents; the companies know that the rate unquestionably is made upon the merits of the risk, as covered by the report of the risk; they know that the rater has endeavored to the best of his ability, without prejudice, to recommend an estimate commensurate with the hazard, and that when in doubt they have access to all details. The companies also know that they are buying this expert knowledge without agreement of any kind as to the disposition they may see fit to make of it, and are thereby not jeopardizing their position or that of their agents as regards State statute measures. The field man of the company also is largely aided in his inspection duties, in being relieved of much detail investigation, by obtaining an unbiased inspection report on risks in which he is interested.

As a basis of revenue the bureau should obtain this from the companies individually, basing the cost upon the actual services rendered to the respective companies and without agreement as to the disposition the companies may desire to make of information thus obtained. A rating bureau can assume a more independent position by selling its publications to the companies than by selling them to the local agents, as thereby there exists no possible financial obligations between agents and the bureau in a local measure.

An independent bureau is sometimes accused of being solely a company institution; this is true in one sense only, to the extent of properly defending the rights of the companies in instances where local conditions and influence may attempt to break down well founded practices of a general prevailing nature, merely to satisfy local elements. A bureau serves the three distinct sources already mentioned, but inasmuch as the nature of operations of the insurance business often places the companies on the defensive, it is but proper for the general good that the bureau should indirectly

RECOGNIZE ESTABLISHED PRINCIPLES OF THE COMPANIES,

by representing them in instances of argument. These differences are most generally harmonized in a satisfactory way to all interests concerned. Rating bureaus may be considered as being of two classes, the large city bureau and the State bureau. The former usually assumes charge of a city and the county in which it is located, and the latter covers the field of a whole State, sometimes excluding the large cities therein. My connection for several years with each class of bureau is convincing that prompt and active service may be given from either source. Up to some time ago the limited income of State bureaus and the large field covered by them created some dissatisfaction that the smaller towns and cities were somewhat neglected, by not receiving prompt attention. We believe this has since been largely overcome by the central office establishing district offices at large and important towns throughout the State. Where such dissatisfaction may still exist, the only remedy is to see that the bureau is given an ample corps of employees to properly district the field and to take care of all important matters promptly.

The matter of uniformity is also becoming a great factor in rate making. Uniform inspection reports, uniform schedules, insurance clauses and forms, standards of all protective appliances are becoming absolutely necessary to minimize the great detail of inspection work. The successful bureau of today must take an active part in establishing this uniformity, must be active and up to date and cannot be held back by local organizations of an ultra-conservative nature, such as we find in a few cities today.

The independent rating bureau is more widely established in the Western field than elsewhere. The territory west of the Pennsylvania State line is largely under the jurisdiction of independent bureaus, there being in all fifteen States so looked after, viz.: Ohio, West Virginia, Michigan, Indiana, Illinois (except Chicago), Tennessee, Wisconsin (except Milwaukee), Iowa, Missouri, Kansas, Nebraska, Minnesota, North and South Dakota and Oklahoma. The cities of St. Louis, Cleveland, Cincinnati and Indianapolis are under charge of specific bureaus. The States of Kentucky, Colorado, Wyoming and New Mexico, and the cities of Louisville, Chicago and Milwaukee are treated somewhat differently at the present time, as are also the Pacific Coast States. Schedule rating is followed in all of these States and cities. The Eastern and Southeastern States and cities are looked after by local organizations and by direct respresentation of the insurance companies.

Mr. Markham offered the following resolution, which was referred:

Whereas, The necessity is manifest for prompt and competent service from independent rating bureaus where such exist, whether the assured's interest is considered or that of the local agents; and, whereas, such adequate service cannot be had unless all companies contribute to the support of the rating bureaus; and, whereas, some companies seem disposed to avoid this contribution, although they undoubtedly benefit from the bureau's service; therefore,

Resolved, That this association considers that the support of the rating machinery in any locality is essential, both for the public interest and the insurance interest, and we urge all companies represented in said locality to subscribe to the bureau.

The secretary read his report on incorporated agencies, the concluding recommendation of which was as follows:

Since it is clear that no professional gain is secured to the local agency business by the incorporation of agencies and the distribution of stock outside of those immediately concerned in the agency (whether this is secured through incorporation of a

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fire agency, the combined incorporation of a fire, loan and real estate agency, or through a bank or trust company), the National Association should, in the opinion of your secretary, recommend that companies limit future appointments to individual agents or to agencies incorporated to protect and define the interests of partners.

In a short discussion which followed the secretary, in reply to a question, said that there were thirty-seven local associations affiliating with the National Association.

E. J. Topping, of Milwaukee, called attention to the following resolution recently adopted by the Wisconsin Association:

"Resolved, That the Wisconsin Association of Local Fire Insurance Agents recommends to the National Association that the advertising columns of the *Bulletin* of the association be open to all fire insurance companies whose names appear in the approved list published in the *Bulletin;* but that no effort, direct or indirect, in the form of solicitation or otherwise be made to secure such advertising."

Mr. Topping stated that this resolution was before the National Association, and he hoped it would be affirmatively dealt with. He also suggested that the *Bulletin* be made more general in its literary character, so as to interest wives and children of members.

In answer to a query as to what qualifications were necessary by a company to the *Bulletin* test, Mr. Thomson, of the executive committee, said that it was not a matter of financial resources, but whether the company was in sympathy with the principles of the National Association.

Mr. Oleson, of Chattanooga, offered a resolution that as the present name of the association is too unwieldy, it be changed to that of the American Underwriters' Association of Local Fire Insurance Agents, the last five words being used as a subhead. The resolution was referred to the committee on resolutions.

The convention then adjourned to Thursday morning.

THURSDAY'S PROCEEDINGS.

The reception of the report of the committee on resolutions was the first business on the reassembling of the association on Thursday morning at 10:45 o'clock.

REPORT ON RESOLUTIONS.

The following was the report of the committee:

Standards of Qualification for Agency Appointments—The president is authorized to appoint a special committee to confer with the National Credit Men's Association relative to standards of qualification for agency appointments.

Non-Co-operating Companies—We recommend the continued publication of the co-operating list, advising our members to make evident that this publicity is effective.

Local Boards and Local Practices—The grievance committee is authorized and instructed to assist local boards affiliating with this association to correct bad practices where all reasonable local efforts have failed.

Non-Board Companies.—The several recommendations under this head are referred to the incoming executive committee.

Incorporated Agencies—Companies are requested to confine future appointments to individual agents or incorporated agencies where the stock is owned exclusively by members of the agency.

Investigating Bureau—We hereby request the executive committee to establish, if practicable, a bureau for the investigation of alleged illegitimate and illegal practices; this bureau to furnish all possible aid to members of the association in their efforts to retain local business on their books, which may be threatened by non-resident competition and to help local agents regain business which they have lost to non-resident brokers. This bureau also to investigate all reported violations of the brokerage rules of this association and of the pledges of the companies made to the association in this matter, and turn the evidence over to the grievance committee of the association. This bureau also to investigate cases of alleged violations of State laws dealing with fire insurance, and when civil or criminal prosecution seems advisable to the executive committee shall furnish the evidence to the proper authorities of the State where the action lies and urge the prosecution of the offenders. The said bureau, under the direction of the executive committee or with its approval, may take any other action that may be directly in the interest of the association and generally in the interest of companies and property owners.

Co-operation on State Legislation—The committee on legislation is requested to again call the attention of State associations to bylaw No. 4 and urge them to comply herewith in every particular.

Brokerage—Complaints will not be considered by this association where agents refuse to pay brokerage to non-resident brokers on property owned by non-residents when the insurance is written strictly in accordance with local rules and agency practices approved by this association.

Expirations—We advise that all State associations and local boards affiliating with the National Association adopt the following rule recommended at the Richmond convention: "Members of this association shall consider the knowledge of expirations of risks placed with them by fellow members, or coming into their possession by reinsurance of a company or transfer of a company from one agent to another, as confidential, and soliciting of such risks by them or by others over whom they have control shall be considered as a violation of the rules of this association and contrary to the spirit of personal honor upon which the association is founded."

Multiple and Side Line Agents—State associations are again urged to secure information regarding the practices of companies appointing multiple and side line agents within said States and forward such information to the executive committee of the National Association for action.

And Vicinity Clause—The action of the joint conference committee and the midwinter conference in this matter is approved.

Local Associations—It is recommended that State associations request local associations within their State to include in their annual dues the cost of membership in the State and national associations.

National Fire Protection Association—It is recommended that our association join the National Fire Protection Association, the treasurer being authorized to pay the necessary dues to cover said membership, all papers and information from the Protection Association to be mailed to the office of the national secretary.

Revision of Constitution and Bylaws—The president is authorized to appoint a committee to review the constitution and bylaws and consider such changes as may be necessary, reporting thereon at the next annual meeting, said committee to consider also a standard form of constitution and bylaws to be recommended to State associations and local associations for adoption. The various suggestions as to amendments of constitution and bylaws and name of association are referred to this committee.

Press Committee—It is recommended that State associations appoint press committees to provide the newspapers of the State information regarding the associations and fire insurance.

Subjects—The president is authorized to appoint a special committee to suggest a list of timely subjects for discussion at State meetings.

Uniform Blanks—It is recommended that the committee on uniform blanks be continued; that its report, with the sample forms recommended, be printed in the *Bulletin,* with the request that agents transmit any suggestions they have to make to the chairman of the committee; that the committee submit its report and forms recommended to all companies, requesting them to make suggestions thereon to the company members of the joint conference committee. The agents on the joint conference committee representing the National Association are authorized to take up with the company members of the committee the recommendations of the committee on uniform blanks, with a view to securing their general adoption.

Directory of Association Members—The recommendation of the president is referred to the incoming executive committee with power.

Commissions—Two years ago this association asked companies and agents to consider a uniform flat and contingent commission, with the comment that such basis of compensation would not be practicable or equitable without other changes that would make conditions more nearly equal. This suggestion has apparently received no serious consideration from the companies, and as a uniform commission under diverse conditions would be manifestly unjust to agents, we now withdraw the suggestion. We regret the termination of the conferences on the commission question between Southern agents and the South Eastern Underwriters' Association, and we hope for a reopening of negotiations and a satisfactory settlement.

Ways and Means—The present method of levying assessments upon the various State associations is approved, and we recommend that the same be revised to conform to the present membership and continued for the ensuing year. The finance committee is instructed to notify the State associations of their apportionments, with the request that the amounts be raised and re-

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mitted promptly to the treasurer. It is recommended that the question of advertising in the *Bulletin* be referred to the incoming executive committee with power.

We approve the action of our officers and committees during the past year, as reported to us, and we express to our incoming officers and committees our wish that the methods and policy of the association in the past be continued and broadened and enlarged as rapidly as the prospective income of the association warrants.

The report of the committee was adopted without opposition.

MR. PERRY ON THE COMPANY AND THE ASSOCIATION.

Mr. A. W. Perry, secretary of the St. Paul Fire and Marine insurance company, read a paper entitled "The Company and the Local Agents' Association," which is printed in full as follows:

The proper consideration of this subject requires a brief inquiry into the relations of the company and the local agent. An agent is defined as one who acts, or has power to act, for another. He is called variously deputy, steward, vice principal. The corporation is a creature of law, a legal entity, having no physical being, no power to act except through its agents. The officers, whether president, vice president, secretary or manager, are agents acting for the corporate body, standing in its place, carrying on its work within limitation of their powers, as evidenced by rules and by laws. The local agent differs in degree only—in the narrower scope of his authority from the president or some other executive officer of the company. They are both agents. Both stand in the place of and act for the principal.

Endowed with this authority the agent carries the corresponding responsibility of the principal, and is held by the Supreme Court of this State "to the exercise of the utmost good faith in the business of his principal. To secure this he is not permitted to place himself in a position antagonistic to the interest of his principal, nor to secure any advantage to himself without the full and free consent of his principal. The requirement of good faith is the basis of the rule of law governing the duties of the agent to his principal."

The individual local agent being thus bound to act only for and not antagonistic to the business of his principal—that is, the company—what may or may not this association of local agents do? Are the rights, powers or duties of the assembled body of agents greater or less than those possessed by the individual? These are days of co-operative efforts. Commercial, social and industrial activities are promoted and enhanced by association. Results are attained that could not be reached by any other means. Within proper bounds there can be no objection to these associations of capital, skill or labor, and there can be no objection to the combination of effort, by local agents, for the accomplishment of any good purpose not violative of the rules above cited. Unless there is something in the act of the association which changes this relation and gives to this body rights and privileges not possessed by individuals composing it, then the association should conduct its affairs along the same lines and with the same purposes and aims of the individual.

I believe you will all agree that this is the correct view, and that your purposes and aims being for the benefit of the companies as well as in your own interest there will be complete harmony between you.

THE WORK OF THE ASSOCIATION

is twofold—that which concerns the relation of the companies to the public, and that which concerns the personal relation of the agent to the company. The first embraces chiefly the questions of taxation, including licenses and fees, forms of policies and reports, legislation and rating bureaus. There are radical and apparently irreconcilable views on all these points. The State insists upon the highest taxation and the most liberal forms on burdensome and restrictive laws and the abolition of all rating systems. The companies being the creatures of law and deriving all their powers from legislative enactment, must, of right and necessity, be subject to State regulation and supervision, and can conduct their business only in strict accordance with such regulation and supervision. These relations and the questions that are constantly arising therefrom require most careful and intelligent consideration. Agents are always willing and anxious to aid in the solution of these problems; but, given the views of the companies, they can be better considered and more amicably discussed, and the varying and conflicting views can more easily be harmonized by a representative body of agents acting through committees than by individual effort working at cross purposes.

The deliberate judgment of a State or national association of agents will have more influence and greater weight with State officials or legislative bodies than the arguments of company officers or managers, however persuasive and convincing. You are peculiarly qualified to present to the public the matured views and conclusions of the companies on these and kindred subjects and to urge their adoption. You vote and you can influence votes. That counts with officials and lawmakers more than anything else, and will entitle you to respectful hearing when all other arguments fail. Singly and collectively you have an influence possessed in few branches of business if you choose to exercise it. Numerically you are strong. With wide acquaintance, and strong business and social connections, intelligent and upright, no defense can withstand your assault if you proceed with singleness of purpose, directness and unanimity. Concentration of effort wins. That is what secures business, and that is what will secure and preserve responsible laws and regulation from the State.

PREJUDICE AGAINST CORPORATIONS.

If this or any State association can take up and assist in the settlement of any of these vexatious and troublesome questions it will accomplish untold good and forever silence carping criticism as to its sphere of usefulness. These public questions, while not of first importance to you, perhaps, are living, vital questions affecting the prosperity of the business today, and need your thoughtful consideration as well as that of the public and the companies. Prejudice against corporations is not less against fire insurance companies than others. Their methods have not always been wise or just. They have not always sought or accepted the advice of those in close touch with the public, and so have sometimes acted in apparent opposition to and defiance of the rights of others. Unexplained action may often seem unreasonable and arbitrary and engender opposition and hostility unwarranted if the proper explanation were made. It may be your duty to act as mediator between a hostile and unfeeling public and the arrogant corporation. Should occasion arise you will surely discharge that duty with fidelity and intelligence.

If these public questions do not interest you so greatly as those more immediately affecting your personal interests please remember that you owe, through your citizenship, a duty that may not be evaded or neglected and that their settlement affects indirectly your individual welfare.

The relation of the agent to the company embraces such questions as compensation, the multiplicity of agents, the ownership of the business, brokerage, overhead writing, etc., all important, and all causing diverse and sometimes irritating views.

Allegiance to the companies' interests precludes the idea of vested rights in the business, but with an annual premium income of nearly $200,000,000, all originating with and distributed by local agents, it is not strange that friction should arise over the control and division of this vast sum. These conflicting claims may, however, be treated as differences of opinion as to terms of service rather than inherent rights in the business itself. They are differences common to all and can be as well cared for by the entire body of agents as if settled by individual action.

UNIFORMITY OF ACTION

will be vastly better than separate and distinct efforts to remedy any existing evils.

Elements of discord are the same the country over. No locality is exempt. In Maine and California, Minnesota and Texas, complaints of the disregard of the agents' rights and of trespasses upon the companies' prerogatives are the same. Agents speak bitterly of unjust treatment and companies calmly ignore charges. Such conditions are wrong and will result in serious trouble if the remedy is not found. The agents as a rule are supremely loyal to the companies. They are not looking for needless trouble, but are sincere in their belief that the business would be benefited by the reforms sought. I believe that if they present thse questions to the companies in the spirit of loyalty, with the earnest and sincere desire to obtain redress and relief within their own ranks and without outside interference, they will receive it. It is within the province of this and other associations to take up and present fairly and dispassionately every grievance.

It is the duty of companies, in my judgment, to receive and consider fairly and dispassionately every complaint. If reasonable the remedy may be found. If unreasonable and unfounded I am sure the association will candidly admit it. Free discussion will at least result in a better understanding by all the parties.

If united action is to have weight with the companies it must be by the action of a great body of agents within the jurisdiction of the association. If there is any lack of strength it is in the poverty of numbers in attendance at your meetings. With an eligible membership list of tens of thousands, an actual attendance of a few hundred or less betrays an apparent lack of interest which is perhaps misleading. But to accomplish results

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you must show the companies that all the agents are interested; that these questions you discuss are live questions affecting materially the proper conduct of the business. There is another duty this association can perform, and that is

EDUCATIONAL.

Writing fire insurance should be a profession, and not a business. There is a woeful lack of knowledge of the essentials necessary in properly writing and reporting the policy of fire insurance in some parts of the country. It is largely the fault of the companies in appointing unfit and incapable men as agents. But your influence, properly exerted, will go far toward remedying the evil. The force of your opinion expressed upon this as upon other subjects will have its moral effect.

Finally, my friends, there is an opportunity before you to do great and lasting work in your own behalf and in the interest of the companies and the public. Arouse the enthusiasm and the interest of the agents throughout the country. Secure the attendance and co-operation of the best and strongest minds in the business. Act from unselfish and pure motives and your work will be successful. I do not like to praise you to your faces, but the fraternity of local agents comprises some of the shrewdest, most sagacious and farseeing business men of the country. They are the successful, respected and honored men in their community and qualified to occupy any executive position with any company. Coming in contact as they do with the actual business conditions of the country, having their ears to the ground, their advice and counsel should be sought and heeded in the matters deeply affecting the interests to which they are devoting their lives. You can perform no greater service than to bring such a body of men into close and harmonious relations with the companies.

NEW OFFICERS.

The committee on nominations reported the following candidates for officers for the ensuing year, and the report was unanimously adopted:

President, Edward Watson Beardsley, Hartford; vice president, J. W. Alexander, Louisiana; E. B. Case, Illinois; L. W. Childrey, Virginia; E. H. Forry, Indiana; Fred Guenther, Michigan; B. F. Kaufman, Iowa; F. W. Leballister, California; F. G. Lumpkin, Georgia; J. N. Manson, Wisconsin; A. W. Neale, Ohio; H. N. Pinkham, Maine; secretary, Henry H. Putnam, Boston; treasurer, W. H. Mandeville, Olean, N. Y.; chairman executive committee, Charles B. Weil, Milwaukee; chairman grievance committee, J. H. Southgate, Durham, N. C.; chairman legislative committee, George D. Markham, St. Louis; chairman organization committee, C. W. Olson, Chattanooga.

The subject of the next annual convention place was taken up and invitations were read from Chattanooga, Buffalo and Oakland. Mr. Olson, of Chattanooga, invited delegates on behalf of his city; C. E. Roth spoke for Buffalo and Mr. Leballister for Oakland. Mr. Manly, of Alabama, also spoke for Chattanooga. The question was referred to the executive committee.

A rising vote of thanks to the retiring officers and the press was passed.

Mr. Taylor, of North Carolina, in a graceful speech thanked the convention for its courteous treatment of the South and an adjournment sine die was then taken.

Miscellany.

Program of the Third Annual Meeting of the American Life Convention at Denver Next Week.

The following is the program of proceedings at the convention of Western and Southern life insurance companies to be held at the Albany Hotel, Denver, Col., on August 19, 20 and 21:

WEDNESDAY, AUGUST 19.

Morning—Welcome address, Hon. Thomas B. Stearns, president Colorado National; response, Dr. Felix G. Cross, president Columbia Life; report of executive committee, President B. H. Robison.

Afternoon—"Maximum Individual Risk to Be Safely Carried by Company Compared With Assets, Volume of Business and Surplus," Franklin B. Mead, secretary Michigan State Life. Discussion, Geo. B. Peak, Central Life, Des Moines; H. B. Race, Florida Life, Jacksonville; John M. Sarver, Ohio State Life, Columbus. "Sub-standard Risks" (a discussion suggested by the paper presented by Paul L. Woolston at the Indianapolis meeting in 1907), I. Smith Homans, Greensboro Life. Discussion, Sidney A. Foster, Royal Union Mutual; J. Charles Seitz, Security Life of America; Paul L. Woolston, consulting actuary, Denver.

Evening—The executive committee suggests for discussion the following topics: (1) "Maximum Commission, Brokerage, Renewals, Medical Fees." (2) "Twisters, Rounders, Rebaters." (3) "Convention Rules and Regulations."

THURSDAY, AUGUST 20.

Morning—"Getting Business from the Viewpoint of the Young Company," Thomas F. Daly, president Capitol Life. Discussion, Wilmer L. Moore, Southern States Life; C. M. Atherton, Western Mutual Life; Geo. A. Grimsley, secretary Security Life and Annuity. "Profit and Loss Account of the Uniform Report Blank," C. H. Beckett, actuary Lafayette Life. Discussion, Lucius McAdam, actuary United States Annuity Life; Richard D. Hughes, Majestic Life; H. W. Cochenower, actuary Minnesota Mutual. "Right of Appeal from Rulings of Insurance Commissioner," Thomas L. Miller, vice president West Coast Life. Discussion, Charles F. Coffin, State Life, Iindianapolis; J. F. Wolters, Guarantee Life; Theo. F. Ruhland, Lincoln Mutual.

Evening—Social session.

FRIDAY, AUGUST 21.

Morning—"Taxation and Retaliatory Legislation," L. A. Dean, counsel State Mutual, Rome. Discussion, Russell T. Byers, American Central; J. W. Church, Lamar Mutual; Elliott Estes, Southeastern Life. "Policy Provisions as Interpreted by the Courts," C. A. Atkinson, vice president and general counsel Federal Life. Discussion, Guilford A. Deitch, Reserve Loan Life; Gustave Lemle, Louisiana Mutual; J. E. Killen, Indiana National.

Afternoon—Reports of committees, reports of officers, unfinished business, miscellaneous business, election of officers.

Surety Company Executives Co-operate for Uniformity of Practice—Rate Regulation Is Not Included in the Plan—Letter of Vice President Shriver, of the National Surety Company.

The recent meeting in Baltimore of the executive officers of several surety companies was one of a series of unofficial gatherings which have been held in New York city and elsewhere recently looking to uniformity in practices, and not connected in any way with regulation of rates. It was believed that more could be gained through uniformity of practice regarding the forms of bonds and the systematic handling of agents and claims than by any attempt at rate regulation, which would in time correct itself through changed conditions.

Accordingly several weeks ago the National Surety Company issued a letter over the signature of its vice president and comptroller, S. H. Shriver, asking the companies what they thought about co-operation along the general lines outlined above, and the replies were so favorable that the Baltimore conference noted in last week's issue was one of the results.

The co-operation engendered by the Chicago situation regarding the joint control of court bonds had considerable to do with the idea of extending co-operative methods to other features of the business. As a result meetings have been held at various points by the company executives to deal with the problems of the business, and likewise gatherings of the heads of the various departments of the different companies looking toward uniformity in practice in the conduct of the various departments. These conferences have been well attended, and have already resulted beneficially. The idea of Vice President Shriver, of the National Surety, as indicated above, is explained more at length in the following letter sent out several weeks ago, of which THE WEEKLY UNDERWRITER was able to secure a copy. The letter reads as follows:

DEAR SIR—I recently wrote you regarding joint control on court bonds in Chicago. A similar letter was addressed to every company doing business at that point. The heartiness of the responses received from all companies and the evident willing-

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ness to co-operate at this point have led me to believe that the time is opportune for extending co-operation to all points in the United States.

There is no question to my mind (and apparently this view is held by many other executives) that the surety business has lost more from lack of uniformity in bonds, lack of uniform methods in handling fiduciary cases in the matter of joint control, etc., lack of uniform rates of commissions and brokerage, failure to confine acceptance of risks from only regularly constituted agents or duly qualified brokers, failure to eliminate from the recipients of commissions lawyers who place bonds for their clients, and employees who place bonds of their fellow employees, etc., than the companies have ever lost from a lack of co-operation in the matter of rates.

Rate agreements are illegal in many sections of the country, and difficult of maintenance in any event, owing to rebates that will be allowed by agents beyond the knowledge and control of the home offices, but forms of bonds and methods of handling business, agency contracts, etc., are certainly under the control of the executive officers, and reformation in these particulars would undoubtedly better conditions in a great degree. Losses would be minimized, the cost of handling the business largely reduced, facility in division of risks by reinsurance or otherwise increased, and if uniformity in these matters is accomplished the question of rates, I believe, would in time solve itself.

Assuming that you will be willing to extend co-operation beyond Chicago into this broader phase of the question, I would be pleased if you would indicate to me your willingness to meet executive representatives of all the companies, at some convention (time and place to be later named), at which these matters could be taken up, and some conclusion reached that would insure a new ear in the bonding business.

Could we hold such a convention, meeting for this express purpose, and with the agreement beforehand to eliminate from our discussions the question of rates, or previous agreements or disagreements, with single purpose to effect changes in these particulars that would certainly be to the benefit of all, and would not militate against any surety company, large or small, in the conduct of its business, I feel certain that much good could be accomplished.

I have written this letter to the presidents of all the companies, and upon the receipt of their replies I shall be pleased to advise you of further steps, in the meantime asking you to give the matter thought and formulate in your own mind a program of matters to be dealt with that could be submitted in a definite form later on to a committee to be appointed, which could arrange a program and plan of action before such proposed convention would be convened, so that the time of the representatives of the various companies could be conserved to the very best advantage, and the work of the convention made immediately productive.

I have already had the proffer of hearty co-operation from several prominent companies, and trust I shall receive indication from you that you would be willing to co-operate in such a matter.

Very truly yours,

S. H. Shriver, Vice President and Comptroller.

Sale of the Provident Savings Life to New Interests Effected.

The sale of 1,047 shares of the capital stock of the Provident Savings Life Assurance Society of New York to Arthur G. Langham, of Louisville, Ky., was consummated on Wednesday. As a result of this sale the interests of John J. Coyle, of Philadelphia, and those of the New York banks in the society were eliminated. At the meeting of the board of directors on Wednesday the following persons were elected directors to fill vacancies caused by the resignation of the directors formerly representing Mr. Coyle and the banks:

George C. Clarke, president of the Tefft-Weller Company, New York; Douglass W. Mabee, paper manufacturer; C. H. R. Compton, broker, New York; W. P. Boone, manager of D. S. Walton & Co., paper manufacturers, New York; Arthur G. Langham, insurance manager, Louisville, Ky.; C. N. Clarke, lumber, Lexington, Ky.; William B. Ellison, attorney and former corporation counsel of the city of New York, and W. D. Buckner, of the Prospect Park Bank, Brooklyn.

The board will consist of these newly elected members, together with Timothy L. Woodruff, Ralph K. Hubbard, the comptroller of the society; Henry Moir, the actuary; John W. Vrooman, the secretary, and Royall Victor, of the old board.

The directors elected Arthur G. Langham president and Douglass W. Mabee, Jr., secretary. The other new officers will be elected next Wednesday. Ex-Secretary John W. Vrooman will continue as a director of the society. It is understood that Actuary Henry Moir and Comptroller Ralph K. Hubbard will remain with the new administration.

The new president has issued the following statement, emphasizing an announcement that the company will not be reinsured and will be continued in business:

Arthur G. Langham, the purchaser of the stock, states that the transaction is entirely an independent one upon his part. His efforts in the management of the society will be directed solely to the complete elimination of all grounds for criticism which may have existed in the past. The management will be the most economical consistent with adequate supervision of the interests of the society. He will welcome suggestions from the policyholders, and will in all of his transactions strive to make the company genuinely a policyholders' company.

There have been numerous reports in the newspapers as to the proposed action to be taken with regard to the society, most of which have been without any foundation in fact. The pendency of negotiations has prevented an earlier denial of these reports, which would have been of no benefit and would unnecessarily have complicated matters.

The present management hopes to remove the Provident from its complications of the past and to obtain the approval and commendation of the insurance departments, as well as of all other parties in interest.

The agency department will immediately be put in competent hands, and a vigorous campaign will be instituted for the securing of new business as soon as the proper arrangements to that end can be completed. The latest and most approved policy forms will be adopted, containing all of the standard provisions and conforming to the latest legislative requirements.

A policyholders' committee was formed last week in New York, which is composed in part of Albert Fraser, banker; Ralph P. Taylor, president General Construction Company; William S. Opdyke, lawyer; J. Romaine Brown, real estate; R. H. Adams, American Linseed Oil Company; Douglas MacKintosh, architect; Louis Klopsch, editor of the *Christian Herald;* John F. Clarke and others. Actuary S. H. Wolfe, who is also a policyholder, consented to be chairman of this committee. He is at present at Lake Placid, N. Y., and on Thursday the following dispatch was wired from that place:

That the interests now in control of the Provident Life Assurance Society are anxious to conciliate the policyholders, and that the latter will probably get the representation in the management of the society for which they have been fighting was made plain today when S. Herbert Wolfe, who is representing the interests of the policyholders as well as of the insurance commissioners of several States, received from Royall Victor, representing the banks, a letter offering to co-operate. Mr. Wolfe said to night:

"The policyholders do not intend to recede from the position they have taken. They feel they are asking only for a privilege which should be accorded them as being consistent with justice and good underwriting principles. These views I have reason to believe will be forcibly presented to the new interests by the counsel for the banks, I having received a letter this morning from Royall Victor, offering his services and co-operation in securing this outcome on behalf of the policyholders and insurance commissioners, who have asked me to represent them. I have accepted his offer."

Insurance Superintendent Kelsey visited the offices of the society on Monday. After an informal consultation with its officers he notified them formally that he had directed the chief examiner of his department, Nelson B. Hadley, to make a second examination of the society's affairs. It was after Chief Examiner Hadley's first examination and unfavorable report that Superintendent Kelsey last December refused to allow the Provident Life to go on writing business.

Chief Examiner Hadley will begin his new inquiry on Wednesday. He will examine the company's officers and agents under oath, and go through the company's books to

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find out exactly what has been done to strengthen its financial position since his last examination.

The Insurance Superintendent published this week the report of the examination of the Provident Savings Life, made for the department last autumn by the official examiner, Nelson B. Hadley. The examination was made jointly with the Colorado Insurance Department, Mr. S. H. Wolfe representing the latter. The report of Commissioner Rittenhouse, of California, was made public in January, 1908, and appeared in our issue of January 25. The findings were exactly those now published by Superintendent Kelsey, showing an impairment on an Actuaries 3½ per cent. and American 4 per cent. of $414,601.88. Superintendent Kelsey says:

Under Section 82 of the New York insurance law the standard of solvency is a sufficient reserve on policies and claims not matured, calculated according to the American experience table of mortality, with interest at 4½ per cent. per annum, and no receiver can be appointed for any life insurance company if such company has actual assets invested according to law equal to its outstanding liabilities and a sufficient policy reserve computed on such 4½ per cent. basis. The Provident Savings Life upon that basis was shown to have a surplus of $154.318.12, although seriously impaired as above stated upon a 4 and 3½ per cent. standard. Consequently no proceedings for a receivership were possible, and a protracted effort has been made to extricate the company from its difficulties by securing new capital enabling a resumption of the writing of new business.

While Examiner Hadley's report does not differ in its financial conclusions from that of Examiner Wolfe, some of its comments on the management of the company will be found of interest. The following are extracts:

The records of the finance committee and board of directors indicate that proper attention has not been given to this society by its officers and directors. During 1906 there were only fourteen of the twenty-four regular semi-monthly meetings of the finance committee which showed a quorum present. In 1907, during the first nine months, there was only a quorum present at sixteen of the thirty-eight weekly meetings. Of these sixteen meetings ten were held the first four months in the year. It was during this period that a large amount of the securities of the society was disposed of and the proceeds deposited in banks. When this was accomplished the interest of the finance committee in the welfare of the society appears to have diminished.

In reference to the purchase of Brockville, Westport and Northwestern Railroad bonds by the Thomas régime, the examiner says:

While the above transaction may not under the opinion of the Attorney General be considered a violation of the criminal law of this State, I believe the practice of loaning money to or purchasing the securities of a corporation by officers of insurance companies where such officers are actively connected with the management such corporations is to be condemned. An officer's interest in the success of an enterprise with which he is connected or in the standing of the securities of a corporation that he has an active part in the control of, is very often a stronger motive than a direct personal one. I believe that the Messrs. Thomas knew that these securities were not worth on the market what the society paid for them; also that the other members of the finance committee did not interest themselves enough in the affairs of the society to find out what sort of an investment they were making.

The management of this company, aside from the actuary's and medical departments, has been both negligent and unfaithful to its true interest. If it hopes to repair its conditon so that it can do new business, it must be controlled honestly, economically and efficiently. It must have something besides names on its directorate.

LONDON LLOYDS' (?) BLANKET FIDELITY POLICY.

Mr. D. J. Tompkins, secretary of the Guarantee Company of North America and the United States Guarantee Company, has prepared the following statement concerning the operations of London Lloyds:

An insurance agency having offices in New York and Philadelphia recently has been offering a blanket policy for guaranteeing the fidelity of employees, which it represents is issued by "London Lloyds," and which purports to cover aggregate loss up to any stated sum, ranging from $100,000 to $250,000, which may occur through the default of any one or more employees, regardless of whom such employees may be, and including also, for a moderate additional premium, losses of funds or securities by robbery, theft, fire, burglary, or loss in transit.

London Lloyds' long and favorable record in marine insurance is well known. Hence this fidelity-fire-burglary-loss-in-transit policy proposition might seem to have some attractiveness, *except for some facts which the insurance agency's circular does not make known,* and which are hereinafter referred to.

GENERALLY ABOUT LLOYDS.

London Lloyds originated in the latter part of the seventeenth century at Edward Lloyd's Coffee House, Tower street, London, which was a meeting place for persons interested in shipping, where shipping news was collected and disseminated, and where the frequenters of the place assumed individual risks upon vessels at sea. As stated in the circular issued by the insurance agency above referred to, "as years went on the transactions at Lloyd's Coffee House became of *such a speculative and gambling nature* that some of the older and more staid frequenters formed themselves into an alliance, and in 1774 took up their abode in the Royal Exchange in the very rooms which Lloyds at present occupies." Following are extracts from the official "Lloyds' Calendar":

Lloyds is an association of *marine* underwriters in the city of London.

Lloyds is a society incorporated by act of Parliament. The objects of the society are:

1. The carrying on of the business of *marine insurance* by the *members* of the society.
2. The protection of the interests of the members of the society in respect of shipping and cargoes and freight.
3. The collection, publication and diffusion of intelligence and information.

In 1871 Lloyds was incorporated by act of Parliament, but does not, as a corporation, undertake insurance business. This is conducted solely by its members on their own account, and so long as they conform to the rules of the society they are free to follow their individual views.

Candidates for election as members are required to satisfy the committee as to their means, and in all cases to deposit in the names of trustees a sum of not less than £5,000 as additional security for liabilities incurred on account of *marine and transport risks.*

The present number of active underwriting members at Lloyds is said to be about 420.

THE FACTS

as disclosed by the official Lloyds Calendar by inspection of the policy offered, and from other authoritative sources, are:

1. Lloyds as an organization assumes no responsibility in respects of such a policy. "Lloyds does not as a corporation undertake insurance business; this is conducted solely by its members on their own account," reads the Official Calendar.

2. Lloyds' policies are not the ordinary insurance contract insuring for a stated gross amount, but a contract in which the total insurance is compassed by the aggregated signatures of several individual underwriters, each signing the policy for an amount set opposite his signature, his liability being several and not joint with the others, and being limited to the amount for which he has signed. Only such members sign the policy as are individually willing to assume a part of the particular risk.

3. It is not unheard of for individual members at Lloyds to default on their obligations, and especially so in connection with risks other than marine.

The executive officer of a prominent London corporation, replying to an inquiry about the so called Lloyds' blanket fidelity policies, recently wrote as follows:

LONDON, E. C., February 13, 1905.

MY DEAR MR. ————:

There is some writing of that kind here, but the security is, of course, far inferior to that of an office of standing, as the 5,000 pounds deposited by each underwriter at Lloyds is held as security for marine risks only.

Further, in a recent case in which five underwriters guaranteed to bankers the acceptance of Gaze & Sons, tourist agents, only one was able to meet his engagement. The bankers had some doubts themselves, so took out a policy guaranteeing the solvency of the underwriters with a substantial office, and such office had the pleasure of paying between 20,000 and 30,000 pounds.

Yours faithfully,

————————.

Recent publications in London and New York papers indicate that several members at Lloyds are in financial straits owing to excessive losses on fire risks written by them in the United States and Canada at rates much lower than those accepted by regular insurance companies.

On the other hand no policyholder has been unable to collect a disputed claim from any reputable bond company, provided the courts gave judgment in his favor.

4. No security is deposited anywhere which can be made available for the payment of a claim under such a policy.

As shown by the above extract from the Official Calendar, the £5,000 deposit with trustees, as required of each underwriter, is held as "additional security for liabilities incurred on account of *marine and transport risks.*" And see also the above letter.

Hence it is clear that however large may be the guarantee fund

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held by trustees at Lloyds from members, the same is available only for losses under *marine policies, and no other.*

5. An insurance company's tower of strength—its main security to its policyholders, aside from its capital and surplus—is in its reserve for unexpired premium liability which it is compelled by law to maintain and keep invested in sound securities, and which is a chief feature of its financial statement. But nothing is made known as to any reserve for unearned premium liability being maintained by underwriters at Lloyds—nothing as to the investment or retention of premiums received, or whether the same are being used in private enterprises, in personal expenses or in Stock Exchange speculation. And there is not known to be even an occasional audit of the accounts of any individual underwriter whereby to determine his financial status.

6. The only recourse for recovery of loss is against the private property of the several signers, none of whom as far as known have any assets within the United States.

7. Suit to recover under such a policy can be brought only in England, where the signers reside.

(Neither Lloyds nor any of its members can be served with legal process within the United States, as the insurance laws exclude them from the right to do insurance business, or to have any agent or legal representative within the United States.)

8. Separate suits must be brought against each signer for his part of the loss, the liability of the signers being several, and not joint, hence the necessity of as many separate suits as there are signers in order to recover merely the one claim.

Could a policyholder foretell the cost of collecting a claim by having to take his witnesses and evidence to London, and prosecuting through London attorneys a separate suit against each signer; or, if a signer be deceased, then against his estate?

9. The premium on such a policy as compared with the amount and omnibus character of the risk assumed stamps the scheme as highly speculative and unwarranted by experience, at least by any experience within the United States, where general conditions and the morale of employees, and the temptations to which they are subject, are so different from those in England, and where the methods of accounting and supervision among our commercial and financial institutions, especially banks, are generally much more lax. (*Vide,* the few large defalcations in England as compared with the large number annually occurring in the United States, Pittsburgh alone contributing four defaults of from $385,000 to over $1,000,000, each within the last eighteen months.)

No experienced company writes such a policy. Two or three newly organized bond companies in the United States have heretofore attempted the issue of blanket policies of this character for more limited amounts, but are understood to have discontinued them because of excessive losses and too limited a business attainable on which to obtain a fair average result. One of such companies, after about two years' experience with such bonds, issued a circular to its agents in which it stated:

Being first in the field, we secured more blanket bonds than any other company, but the reckless and unreasonable competition met with has made it apparent that, if present competing methods of underwriting continue, we cannot expect to secure a sufficient volume of blanket bank bond business to enable us to safely rely on "average" to meet loss in *so large a figure* as $50,000 and yet retain a profit.

In fact the two principal companies venturing upon such blanket bonds "fell down" upon their first claims—particulars as follows: The Williamsburgh Savings Bank, Brooklyn, took out a $50.000 blanket bond with a Baltimore company for one year, and the next year it accepted a similar bond from the Union Surety and Guaranty Company, New York, at a much lower rate. Loss of $63,000 accrued during such two years through collusion of employees, of which $42,000 accrued under the first, and $21,000 under the second, bond. Both companies refusing payment the bank sued each. The following quotation is from the *Standard,* Boston, May 16, 1902:

The Williamsburgh Savings Bank, of Brooklyn, has begun suit against the American Bonding and Trust Company, of Baltimore, to recover $42,334, which it is alleged was stolen from the bank by the paying and receiving tellers. The bond company, it is claimed, contests the loss because of antiquated bookkeeping and banking methods in use by the bank, and also because the defalcation was not discovered until after the death of the chief offender. The contract was for $50,000, and was what is called a "Blanket Bond," or one that was given as security for the honesty of all of the employees of the bank, instead of applying specifically to any particular official or individual. These "blanket" contracts are not considered desirable by the conservative surety companies, and the outcome of the present suit will be awaited with interest.

The Baltimore company subsequently transferred one-half of its capital to surplus to avoid impairment. The Union Surety and Guaranty Company went into a receiver's hands pending the suit.

It can hardly be libelous to say that some of the members of Lloyds write risks that are highly speculative when, according to frequent items in the press, they are reported to have written policies against rain on Coronation Day, the sex of the unborn,

THE Fidelity and Casualty Company,

97-103 CEDAR STREET, NEW YORK CITY.

Assets, $7,537,429.91.

Capital and Surplus, $2,013,400.24.

Losses Paid to January 1, 1908, $26,629,131.90.

This Company grants Insurances as follows:
Bonds of Suretyship for persons in positions of trust,
Fidelity Bonds, Burglary, Plate Glass,
Steam Boiler, Flywheel, Employers',
Public, Teams, Workmen's Collective,
Elevator and General Liability;
Personal Accident, Health
Physicians' Liability and
Bonded Attorneys' List.

OFFICERS:

George F. Seward, President.
Robert J. Hillas, Vice-President and Secretary.
Henry Crossley, Assistant Secretary.
Frank E. Law, Second Assistant Secretary.
George W. Allen, Third Assistant Secretary

SURETY ON BONDS

Home Office Building, New York.

American Surety Company of New York

100 Broadway, - New York

Capital, $2,500,000

Bonds issued for Employees, Administrators, Guardians, and in Judicial Proceedings.

STATEMENT DECEMBER 31, 1907.

Resources (including Capital, $2,500,000)..... $6,365,342.47
Liabilities (including Reserve, $1,126,946.11).... 1,746,329.08

HENRY D. LYMAN, *President.* W. S. JOHNSTON, *Vice-President.*

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the arrival of twins, Thaw's conviction, a flaw in the voice of a soprano, and even a $125,000 policy on an ourang-outang.

Is there to be a recurrence of the conditions at Lloyds that existed in 1774, when, according to the insurance agency's circular, so many members ventured upon risks of "such a speculative and gambling nature that some of the older and more staid 'frequentres' drew aloof"?

10. The form of policy purports to insure against losses or damage which the assured may during a stated period of twelve months "suffer or sustain, or discover that they have suffered or sustained in manner hereinafter mentioned"—and further—"warranted free of all claims for losses not discovered within said period of twelve calendar months," thus excluding liability for any loss accrued during such twelve months, but not "*discovered*" until the *next day* after such twelve months have expired.

Does the employer, a bank especially, want to be cut off summarily in this way from right to claim for loss accrued during the term of risk merely because it was unable to discover the loss before the policy expired? Or does it want to be forced to take out a second year's policy and pay a second premium in order to retain its right to claim for loss accruing during the preceding year?

11. The insurance laws of most States (including New York, Pennsylvania, Massachusetts, etc.) not only prohibit the inclusion of fidelity, fire, burglary, theft and other risks under a single policy, or the writing of such risks by a single company, but also impose a fine or imprisonment, or both, upon any person who negotiates for or receives or transmits an application for insurance in a concern not licensed within the State, or who delivers a policy in such unlicensed concern, or collects a premium on it; hence as the placing of such a policy issued by members of Lloyds is an act which is illegal and punishable, the insurance agency representative assumes to act only under the guise of a "broker" for the assured, and, as known in repeated instances, has insisted that the proposed transaction be kept under "confidential" cover, a back door transaction.

While the statutes of some States provide for the assured obtaining from the Insurance Superintendent a permit to place in an unlicensed concern such *excess amount* of insurance as he is unable to obtain from companies regularly licensed in his State, upon his submitting affidavit of the facts, yet with more than a dozen companies licensed to write fidelity and other risks in his State it is difficult to see how the assured could make out a proper case for a permit, unless upon an affidavit which, when inquired into by the Insurance Superintendent, might cause the assured considerable embarrassment. Moreover, on a policy issued under such a permit, there is a specially high premium tax, which if not paid subjects to penalties both the broker and the assured.

12. The fact that such policies do not contain the names of any of the employees whose fidelity is to be assured, and, as frankly admitted by the insurance agency, are issued without any applications from such employees, without any investigation of their antecedents, and without even asking their names, not only makes the risk a blind and speculative one, but, what is worse, deprives the employer of two important benefits (among others) which attach under a regular fidelity bond of a corporate surety, viz.: (a) the *protective service* for the prevention of default which accrues through the company's investigation and periodical revision of the employee's record, habits and associations, and (b) the *moral effect* upon the employee through his making application for bond and knowing that he is bonded and reasonably supervised, and that there is a corporation, present and alert, to act in case of his default.

13. Clearly, then, not only the few speculative underwriters who are willing to participate in policies such as these, but their brokers as well, are making use of their connection with Lloyds to acquire a standing before the public, and trying to lead the assured into the belief that such policies have all the credit and backing which attach to Lloyds marine policies, but which they have not.

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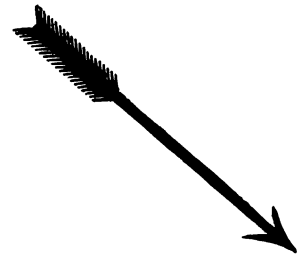
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FOUNDED 1792.

Assets, January 1, 1907		$10,748,864
LIABILITIES—Reserved for Reinsurance and all other claims	$6,705,870	
Capital Stock	3,000,000	
Surplus over all Liabilities	1,042,994	$10,748,864

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Cash values guaranteed in the new life and endowment policies, are equalled by few companies.
Attractive features have been added to standard policy forms.
Liberal terms offered producing agents under the 1908 contracts.

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[FIRE]

German American Insurance Company New York

STATEMENT JANUARY 1, 1908

CAPITAL
$1,500,000
RESERVED FOR ALL OTHER LIABILITIES
7,592,685
NET SURPLUS
4,415,353
ASSETS
13,508,038

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OF PHILADELPHIA

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1828. THE 1908.

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OF PHILADELPHIA.

Cash Capital	$750,000.00
Reinsurance and all Liabilities	4,096,833.14
Surplus	1,615,283.97
Total January 1, 1908	$6,463,117.11

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Stands alone among the American companies of any note, in having repaid to its members, their beneficiaries and estates, in annuities, endowments, death claims, surrender values and dividends, more than it has received from them in premiums. These are the totals:

Received since organization—1846	$249,356,745.45
Repaid as above noted	253,641,382.54
Excess over amount received	4,284,637.09
Assets December 31, 1907	65,903,271.10
Surplus December 31, 1907	2,326,657.25
Insurance in force December 31, 1907	174,716,005.00

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IN

FIRE INSURANCE and ACTUARIAL SCIENCE

EVENING CLASSES

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Organized 1871

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The LARGEST Southern Life Insurance Company.
The most approved forms of Life, Endowment and Industrial Policies issued on favorable terms.

Assets	OVER $3,500,000.00
Insurance in force	OVER $60,000,000.00
Total payments to policyholders since organization	OVER $8,000,000.00

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COMMERCIAL UNION ASSURANCE Co.

LIMITED,

OF LONDON.

OFFICE:

Cor. Pine & William Sts., New York.

FIREMENS

Insurance Company of Newark, N. J.

ORGANIZED 1855

CAPITAL,	$1,000,000.00
ASSETS,	4,701,068.80
SURPLUS TO POLICYHOLDERS,	3,148,371.45

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The Weekly Underwriter:

AN INSURANCE NEWSPAPER.

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CHARLES A. JENNEY, President and Treasurer. L. ALEXANDER MACK, Secretary.

DISTANCE from the geographical centre of continental United States did not abate either numbers or enthusiasm at the national gathering of life underwriters at Los Angeles this week. The proceedings were full of the spirit of doing things now and hopefulness of the future, and in giving this tone to the meeting the energetic and hospitable Californians led. The effect on the business will be stimulative. Our report on other pages gives the particulars.

THE statement of the president of the Union Central Life insurance company regarding the issue of treasury stock to the stockholders of the company is a complete answer to any criticism of its course made through ignorance or malicious intent. The explanation is extremely simple. The company does a participating and non-participating business. According to the bylaws adopted in 1873 shortly after the company was organized, the stockholders are entitled to a semi-annual dividend of five per cent., payable from the general funds, and further dividends, consisting of profits derived from policies issued to non-participating policyholders. The stockholders, notwithstanding their right to the latter dividends, have never in the nearly forty years' existence of the company demanded them, and it was only when the requirement arose recently for an increase of the capital of the company, in order to comply with the new laws of a number of States, that it was decided to issue enough additional stock from the surplus funds accumulated from non-participating policies to raise the capital to $500,000. This amount was fixed upon, not only to meet the exactions of the new laws alluded to, but any of a similar character that may arise in the future. The action taken by the stockholders was entirely within their legal rights, and within the domain of morals as well, for the policyholders have not been deprived of anything that belongs to them, and the stockholders have taken but a moiety of what is lawfully theirs. It is shown by President Clark's statement that of the $2,510,619 general surplus $779,788 was derived from policies issued on a non-participating basis. The company has been strengthened by the procedure of its directors, and no one will object to that, except those who may occupy the unreasonable position of enemies. The president's statement appears in another column.

RECITING at the national convention of the life underwriters the successive steps taken in the effort to amend Section 97 in the last session of the New York Legislature, President Edwards undoubtedly reflected the general sentiment of the insurance interest toward Governor Hughes when he said:

> What was needed was a law suited to average rather than exceptional conditions, which would allow the procurement of business in all sections of the country, on terms which would permit agents to make a living from business currently produced without having to depend upon past earnings. Such a law was the amendment which, as all know, failed to receive the approval of the Governor of New York, whose record indicates that he may be fairly credited with honest intentions and a desire to do right, but which also demonstrates a failure to appreciate that conditions overthrow theories. We doubt if there be any other citizen of New York State, unprejudiced from a personal viewpoint, who, if charged with this responsibility, would have withheld approval of this amendment passed by the legislative body by a practically unanimous vote, and supported by the leading insurance companies, the insurance press, and the insurance experts of the land at an open hearing, at which not a word of opposition was voiced. Thus the efforts of the agents resulted in failure, owing to the peculiar personal attributes of one ruler, who had the power given, without the wisdom to use it for the best good of the people and the welfare of a mighty business.

Mr. Edwards assured his hearers that the task which failed last winter would be taken up again at the "earliest appropriate moment," and that insurance men might rest confident that in the end justice would be done them and the burdensome and improper restrictions removed. This indicates either a lack of faith in the re-election of the Governor, or faith in the election of a Legislature which will take care that he will not be given the opportunity to veto another reform bill. Had the last Legislature adopted the amendment to Section 97 early in the session it would have repassed it over a veto. It was left at adjournment to the Governor's sense of fairness, which proved to be a perverted sense. The "earliest appropriate moment" foreshadowed by Mr. Edwards is that which follows the swearing in of the new officers of the Legislature.

THE Oklahoma scheme of bank deposit insurance is now on trial, and meanwhile Mr. Bryan is making the effort to elevate the proposition into a national issue. He blames Congress for not granting at its last session the right to national banks to enter into the insurance arrangement wherever it becomes effective by State law. The Attorney General of the United States has submitted his official opinion to the Comptroller of the Treasury that "a national bank cannot lawfully apply any part of its assets to a fund under the control of a State organization for guaranteeing to its depositors the money that they entrust to its safekeeping." This settles the question at least until Congress reassembles, and the fifty-four national banks in Oklahoma—except six—which went into the State deposit guarantee scheme have promptly withdrawn. While it may be a comfortable feeling for the depositor in a bank that his money will be returned by the State if the bank fails, it is doubtful if the banker can seriously share that content. The plan obliges him to become responsible in his proportion for the incompetent management or the speculative wrongdoing of every other banker in the pool. To quote a commenta-

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tor: "It creates a haven for wildcat banks and puts a premium on the successful deception of the banking department of the State. Bankers will use their depositors' funds with less scruple, because they know that in the event of failure the insurance law will protect their customers from loss." The law of Oklahoma is compulsory as to State banks, and there were at the last report four hundred of them. As we have said, the scheme is in the experimental stage. It was tried in New York on somewhat different lines many years ago and failed. It may become a national issue, because Mr. Bryan is proclaiming it, and his leading opponent in his address of acceptance declares that so far as the national banking system is concerned it is "wholly impracticable." The idea may yet be utilized by a great private insurance corporation.

OCCASIONAL orators in the insurance conventions now being held and occasional magazine writers continue to harp on the well worn subject of the desirableness of Federal supervision of insurance, and a recent writer in the *Bankers Magazine* has undertaken to show how it can be accomplished without the consent of the States to a constitutional amendment. Congress is simply to declare insurance an instrument of interstate commerce—and there you are! The writer is typical of a class that has been urging this short cut to supervision by the general Government for some time; our fine old Federalistic and anti-States' rights contemporary at Baltimore belongs to it. The following is the argument:

We believe insurance is one of the agents of interstate commerce—none more distinctly so, by indisputable evidence. We believe that Congress should take affirmative action in this, as it did with the railroads in 1885. Let us have a committee similar to the Cullom committee, followed by a thorough investigation and report, and affirmative legislation placing insurance where it properly and rightfully belongs—under Federal control, and we can, with confidence, await the disposition of the legal correctness of such a step by that tribunal before whom all of the people bow in recognition of the righteousness of its decrees, the Supreme Court of these United States.

In other words, let Congress boldly take the initiative and leave the rest to the Supreme Court of the United States, which, by the way, has repeatedly affirmed that insurance is not commerce—interstate or otherwise. The fatal defect in the plan of the advocates of Congressional action is, not that their claim that national supervision is superior to supervision by forty-six different States is unreasonable—for there is much to be said in its favor—but that the States will not consent to the plan. Members of Congress are but the representatives of the sentiments of their constituents, and they will not vote—a large majority of them will not—to give away power over corporations which has been reserved to them by the Constitution and confirmed by the Supreme Court. Mr. Roosevelt speedily became convinced of that after an impulsive declaration for Federal insurance supervision, and the judiciary committees of the two houses of Congress helped him to that decision. So what is the use of wasting time over the unattainable?

Facts and Opinions.

At a meeting of the directors of the **Provident Savings Life Assurance Society** on Tuesday the following new officers were chosen in addition to President Arthur B. Langham and Secretary Douglass W. Mabee, Jr., who were elected last week: William B. Ellison, vice president, no salary; Ralph K. Hubbard, comptroller, salary, $5,000; Henry Moir, actuary, salary, $4,500; C. M. Clark, assistant secretary, salary, $3,000. The president receives a salary of $6,000 and secretary $3,000. The schedule of salaries paid to the previous holders of the offices filled on Tuesday were: Vice president, $18,000; comptroller, $7,500; actuary, $5,000; secretary, $5,000, and assistant secretary $4,500. When Timothy L. Woodruff was president he received no salary. Further steps toward the reorganization of the society will be taken at the meeting of directors in this city next Wednesday. President Langham denies the report that there will be a reorganization meeting of the new proprietors to be held at Louisville next week. The business will not be removed from New York. Mr. Langham will, however, divide his own time between his personal fire insurance business at Louisville and his duties in New York. That Insurance Commissioner Rittenhouse, of Colorado, is satisfied with the present situation is indicated by the following paragraph in the Denver *Republican* of last Sunday:

In the change of directors that accompanied the selling of the majority of the stock of the Provident Savings Life last week, the Colorado Insurance Department has added another distinct victory to its long list of achievements toward the betterment of insurance conditions in the United States. Through Mr. Rittenhouse's intervention, not only was the Inter-Southern Company forced out of consideration as a purchaser of the company, but Arthur G. Langham, the new president of the company, has announced that all his efforts in the future will be directed toward an elimination of those elements which have in the past given ground for much unfavorable criticism of the company's conduct.

The announcement is made that **Zeno M. Host,** formerly Commissioner of Insurance of Wisconsin, has ended his connection with the insurance department of the **Knights of Pythias,** of which he has for the past two years been general manager. The board of control, Knights of Pythias, at its July meeting adopted resolutions declaring a policy which will change the method of securing business in the field by cancelling the superintendents' contracts and employing superintendents to instruct local section officers, with a view to securing business through them, a method which was employed by fraternal societies generally up to six or eight years ago, since which time it has been found that in order to secure members in fraternal societies it is necessary to have deputies or organizers. When this policy was adopted in July Mr. Host served notice upon the board that he would leave the insurance department of the Knights of Pythias, as an officer, immediately after the Supreme Lodge convention, which was held in Boston, August 4 to 14. Mr. Host says that he has no definite plans for the future. However, he has under consideration several different propositions, among which is connecting himself with one of two different old line companies, as well as with a new proposition of transferring the business of quite a large assessment company from inadequate rates to adequate rates; also the matter of organizing a new insurance company. Mr. Host has been under a doctor's care for about three weeks, having had an operation, from which he has nearly recovered. He intends to take a much needed rest or vacation for two to four weeks, after which he expects to take up life insurance work in some form. Mr. Host is a non-resident member of the Hamilton Club, where he makes his home while in Chicago.

As indispensable as the insurance department reports to the man in the insurance business, and of greater value, is the **Insurance Year Book,** published by the Spectator Company, 135 William street, New York; the "red book," covering 1,400 pages of fire and marine insurance information, and the "blue book," with 1,100 pages devoted to life, casualty and miscellaneous insurance. The two volumes for the current year are now out, and can be had from the publisher singly for $6 or $10 for the two. For thirty-five years the Insurance Year Book has appeared annually, "expanding year by year with

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the growth of the insurance business and adding new features to its mass of information as the conditions demanded. Its present development is the result of a series of evolutions, similar to those through which the insurance business has passed." In the fire insurance volume the increase in pages over previous years is about 300. The section of "fire departments and water supply" now comprises 500 pages. Either volume contains the names and addresses of over 40,000 agents. We note a new table showing remarkable conflagrations, from that of Sodom and Gomorrah to that of Chelsea, Mass. The information about individual companies of all kinds, about insurance in foreign companies, and about the statutory requirements of States, is as near complete as human endeavor can make it. The analytical tables of business are quite elaborate and illuminating.

The **United Firemen's insurance company of Philadelphia** has decided to retire from the general agency field, retaining only its Pennsylvania and home office business. It reinsured its business in force, other than perpetual, shortly after the Chelsea fire, and the risks since written have now been reinsured in the Phenix of Brooklyn. Sumner Ballard was the intermediary in the negotiation of the reinsurance. The Pennsylvania and Philadelphia business of the company has always been profitable. In advising the agents of the United Firemen's, President Beath says in part.

After more than twenty-five years as an officer, first as secretary, then as president, it may be assumed that this severance of my relations with the company's agents is anything but pleasant, but the company having within but four years suffered severely in the conflagrations of Baltimore, San Francisco and Chelsea, I am convinced that it will be better for its stockholders to confine its business for the present at least to the city of Philadelphia and State of Pennsylvania, where our business has always been profitable, and where that condition may reasonably be expected to continue. For this we have capital stock, $200,000; net surplus over $115,000, and assets of over $1,300,000. I heartily thank our agents for their loyalty to the company under the known conditions following the Chelsea conflagration, and I trust that you will appreciate that under this severe stress it has been the constant aim of officers and directors to fully protect every policyholder, carry out faithfully every obligation and to preserve the good name of the company established through many years of honorable service.

The National Editorial Association has been in session this week at St. Paul, Minn., and among the speakers was John A. Sleicher, who roasted the **sensation dailies** in these proper terms:

Lord Cromer, in his recent book on "Modern Egypt," attributed to an English daily paper that outburst of hero worship in 1885 which compelled Gladstone, against his judgment, to send General Gordon to his tragic death in the Soudan. How many men eminent in public and private life in the United States have been hounded into retirement, disgrace and in some instances to death by the injustice of a thoughtless and sensational press? But "get circulation" is the motto. Get it, for it means money and power! Assail the rich, print the sanguinary details of every horrible crime and disaster, varnish vice, appeal to the passions, distort the truth, divide the people into masses and classes, and pit them like wild beasts against one another, shock the sensitive, mock the reformer, show the people how they are deceived and oppressed, and never fail to impress upon the maddened mob you are creating that you alone are the friend of a long suffering people. The urgent need of every great American city is a daily newspaper that shall print less and better news; that shall exercise such censorship over its columns that no one's character shall be assailed, no institution's standing be discredited, no vested rights be jeopardized, and no man or woman's motives impugned until the editor has justified his statements. Better less news and real news; better news a day late and right than a day earlier and wrong.

The insurance business can testify to the truth of Mr. Sleicher's diagnosis. A current instance of depravity is the hurricane of lying by the yellow reporters on the atrocious Hains murder case, to keep the sensation going.

The president of the **Gibraltar Beneficial Society,** John S. Fouse, of Pittsburgh, has been arrested on the technical charge of **conducting an insurance company illegally.** The police claim that the company has been systematically robbing over 10,000 poor people in the last ten years. They have warrants for the arrest of Vice President William Fouse and Secretary Charles Sumner. The policyholders, who are made up mostly of negroes and extremely poor whites, are promised a weekly indemnity of from $3 to $10 for sickness and a death payment, but the police say that policyholders were seldom paid. The policies could lapse very easily and become useless owing to a clause which stated that if the agent did not call the policy would be lapsed unless the policyholder appeared in person at the home office to pay up. If the policyholder was ill, therefore, and could not personally appear at the office, the policy was likely to lapse, as in these cases, it is claimed, the agent seldom came around. The claim is made by the authorities that hundreds of ignorant people were swindled by the company in some way like this. The president of the company is languishing in jail in default of $5,000 bail.

The insurance commission appointed by Governor Crothers, of **Maryland,** to revise the **insurance laws** of that State and to suggest methods pertaining to the insurance of properties of the State, met at the Governor's office August 12. The *Baltimore Underwriter* says:

Governor Crothers, in addressing the members present, stated it was surprising that the general public paid so little attention to the insurance laws. Next, to the Commission on Revenue and Taxes, he said: "The insurance commission has a most difficult work before them. Its work requires trained men, who are competent to deal with it." And he hoped they would give the matter their serious attention. Only three members of the commission were present as follows: B. Frank Crouse, Insurance Commissioner; Clinton O. Richardson, of the fire insurance firm of E. J. Richardson & Son, and James H. McClellan, publisher of this journal. The other members of the commission not present were away on their vacations, and the Governor suggested an adjournment to some time in September, when the full committee will be present. On its organization, with Senator Milhaus as chairman, sub-committees will be appointed to take up the different branches of the laws, so as to have hearings from the different interests. One thing is certain, conservative laws will prevail. No radical legislation is proposed. Simplification of laws that will offer protection to the citizens of the State, and at the same time not be burdensome on the companies.

The National Fire of Hartford has received its license to transact business in the Dominion of **Canada.** The single deposit of $100,000 has been made at Ottawa, and this will be sufficient for all the provinces, but licenses must be obtained for each province. Special Agent Stinson, of Minnesota, with headquarters at St. Paul, will at once begin planting agencies, and later a special agent will be appointed with Canadian headquarters. Robert Hampson & Son have been chosen chief agents for the Dominion on whom service may be made, and Clement C. Bradley, of Winnipeg, has been registered chief agent for Manitoba; McNear & Wayman, of San Francisco, general agents for the National on the Pacific Coast, will manage British Columbia, and for the present at least all daily reports will be handled through them. For Alberta, Manitoba and Saskatchewan Fred S. James, the Chicago general agent, will act in a similar capacity and in a few days will apply for the licenses in these provinces. Should the Western provinces prove a profitable field the National is prepared to begin writing in the East and elsewhere.

While it is not believed that much of the property burned by the **mobs at Springfield** was insured, the companies hold that they cannot be held liable. Their policies contain the standard provision exempting them from liability when the loss is caused by riots, mobs or civil insurrection. A Springfield dispatch to the *Journal of Commerce* says:

This exemption has almost universally been upheld by the courts, the exception being the recent decisions in Kentucky growing out of the night

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rider cases. The companies defended there under the riot clause, but the court held that the night riders were not a mob, because they were organized and acted under the direction of leaders. It also held that the mob clause did not apply because the Kentucky policy stipulated damage by riot, and not fire damage. This case has been appealed, with every belief that the ordinary construction of the clause will be upheld. If for any reason the companies should be held at Springfield, in spite of the riot clause, they could pay and take subrogation of the owners' right to collect from the municipality, under the law holding the latter liable in such cases.

The **common fly** is the most fatal of all the disease breeding foes with which man has to battle for the privilege of existence, carrying as it does the filth clinging to its legs into the food we eat, is the declaration of the *Medical Examiner,* and it adds these harrowing remarks:

We have seen the flies on a piece of meat in a butcher's delivery wagon so thick that they appeared to color the meat, and we have several times seen the flies leave the dung of horses in the street to find a change of diet in the juices of meat awaiting delivery at the doors of the homes of those who, if they had known the facts, would have invoked the wrath of all the gods, old and new, to punish not the flies but the butcher. We may be wrong, but we do not think that we are, in saying that if the people knew the facts of the case, the dirt and filth with which the food for which they pay a price which they consider so exorbitant comes in contact, not at the place in which the cattle are slain, but in the stall of the market man, there would be trouble for that market man at once.

Provided 50 per cent. of the employees of the **Third Avenue Railroad** take up the plan. Receiver Whitridge has announced that an **employees' benevolent association** will be formed by the company's aid. When a man is sick he will be paid $1.50 a day, and in case of death his family will receive a substantial payment. A pension fund will also be established. The courts and bondholders have approved the scheme. If 50 per cent. of the men join the company will add 50 per cent. of the amount paid by them to the fund. If 75 per cent. join the company will add 75 per cent. of what they pay in, and if 80 per cent. join the company will add 100 per cent., or an equal amount. Each employee is to pay 50 cents a month. The money subscribed is to be deposited with the Central Trust Company for investment.

The president of the **Walla Walla Fire,** C. K. Holloway, has removed to Chicago, and the underwriting for all the country except the five Pacific Coast States will hereafter be done from there. Offices will be maintained in Walla Walla to handle the five States. Secretary Conaway located in Chicago several months ago to supervise the underwriting in the Eastern and Southern States, as a matter of convenience, and the plan has been found so successful that it is now being extended. The original central department will be continued for the time without change. Mr. H. C. Colson, late manager of agents at Chicago, has sued the company for breach of contract, laying damages at $25,000.

At the meeting of the New York State Firemen's Association at Oswego this week, James W. Wadsworth, Speaker of the New York Assembly, declaimed against the **mania for law making.** He must have had Governor Hughes in mind when he said:

The cry for more law is well nigh deafening, and almost irresistible. One would think that legislation is a panacea for all evil. The result is that we are crowding our statute books every year with a great mass of enactments, many of them unnecessary, and some of them vicious, and yet every one of them apparently demanded by some portion of the people. In my judgment the watchword of the legislator should be simplicity rather than multiplicity of laws. In my judgment we have laws enough, and from now on the fewer statutes we enact the better for the peace of mind of the American citizen.

The Modern Life insurance company of Indiana has been organized at South Bend, Ind., by Col. Jasper E. Brady, of Chicago, who will be the vice president and general manager. An individual accounting of every cent paid in by each policyholder is promised. A large amount of the stock has been subscribed for. The full list of officers is as follows: Adam Hunsberger, president; Jasper E. Brady, vice president; Horace G. Miller, secretary; Byron B. Miller, treasurer; George J. Porter, resident actuary; Rawson Bennett, Chicago, consulting actuary; Dr. Edwin R. Dean, medical director, and Fred Woodward, counsel.

The energetic New York agents of the **Connecticut General,** Goulden & Millar, are pushing that company's new convertible ten year term policy, which will be written in amounts up to $100,000. This policy may be exchanged at any time in five years to any other form of policy issued by the company without medical examination. The rates are exceedingly low, ranging from $9.70 at age twenty to $32.38 per thousand at age fifty-five. For anyone desiring protection pure and simple at rock bottom cost the policy should be a popular one.

The **fee of Investigator Matthew C. Fleming** for his services in connection with the attempt of Governor Hughes to remove Superintendent Kelsey was $4,000, the Governor having fixed this amount as his pay. The investigation was begun about the middle of September and completed about the middle of December, so pay at the rate of $1,300 per month was not so bad after all. The sum of $1,000 was drawn on the State Treasury before the report was presented, and the last installment in May last.

In the annual parade of the **Larchmont "millionaire fire department"** on Wednesday night the following old fire laddies proudly marched through the streets amid a blaze of red fire and many fine pyrotechnic displays: John F. Makeley, E. F. Beddall, Henry W. Eaton, W. E. Bemis and George E. Ide, president of the Home Life. They were inspected by the village fathers.

A new fire insurance company with a capital of $100.000, which it is hoped to ultimately increase to $1,000,000, has been **incorporated at Dover, N. J.,** which is controlled by business men of Scranton, Pa., where the home office will be located. The sale of the stock will be in charge of the Lackawanna Securities Company.

At Little Rock, Ark., John P. Streepy has been appointed **receiver of the Home Fire** of that place, a mutual company, at the request of the directors, who declared that in the past year it had paid out over 80 per cent. of its income in losses and had exhausted its funds without taking care of all its obligations.

The receiver of the **Prudential Fire of Tazewell,** which went into the hands of a receiver as a result of the San Francisco conflagration, has advertised $166,500 worth of bonds owned by the company for sale September 4. He expects to be able to pay a dividend of between 30 and 40 per cent. before October.

Having settled up its losses sustained in the San Francisco fire, and its financial affairs having been found in good shape, the **California insurance company** has been authorized to be-

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gin writing business in New York State. The agents for New York city are Newman & MacBain.

It is reported that much of the **whiskey burned** in the bonded warehouse at Midway, Ky., was not insured, owners of small amounts not taking the trouble or depending upon the notable immunity of bonded warehouses in that region from loss.

The **South Carolina Insurance Department** has ruled that an agent who brokers a fire insurance policy with another agent is the agent of the company whose policy he delivers. The broker is usually regarded as the representative of the insured.

The American Life Association of Chicago is preparing to reorganize as the **American Life insurance company of Illinois,** with $100,000 capital and $20,000 surplus. It will write both industrial and ordinary business on the non-participating plan.

The number of **fire insurance alarms** during the recent drought **in Chicago** was record breaking. August 5 130 were turned in, and the total from the first of the month to noon on August 11 were 632.

The project of increasing the **capital of the Home Life** of New York from $125,000 to $500,000 has been abandoned, it is stated.

The Modern Woodmen of America have withdrawn from the National Fraternal Congress.

Personal.

AGENCY APPOINTMENTS.

Casualty Company of America: Foster & Messick, of Indianapolis, Ind., State agents, retaining also their representation of the United States Fidelity and Guaranty.

City of New York: F. F. Small & Co., Hartford, Conn., transferred from H. W. Seide & Co.

Continental: J. E. Davis, special agent for southern Illinois; George G. Plyer, special agent for western Pennsylvania, with headquarters at Pittsburgh, reappointed.

Delaware of Philadelphia: Gross R. Scruggs & Co., of Dallas, Tex., managers for the Southwestern department, succeeding M. A. Shumard & Co.

Empire State Surety of New York: Burtenshaw & Sibley, of Detroit, general agents for the lower peninsula of Michigan for all lines, succeeding Wood & Beach, of Detroit.

State of Pennsylvania: H. W. Seide & Co., Hartford, Conn., transferred from J. M. Muzio.

Mr. John S. Olliver, special agent on Long Island of the Insurance Company of North America, with charge of the Brooklyn office, died August 16 in the Prospect Heights Hospital after a two weeks' illness from typhoid fever. He was the secretary of the Brooklyn Underwriters' Association, and for eleven years a member of the board of directors of the Fire Insurance Salvage Corps of Brooklyn, serving during that period as secretary, and at the time of his death as treasurer. He was also a member of the committee on the construction of the new patrol house being erected in Brooklyn.

Dr. C. A. Canfield, late of the Columbian National Life of Boston, has been recently added to the home office staff of the American Assurance of Philadelphia, being attached to the claim department. Dr. Canfield was some years ago assistant medical director of the Northwestern Life Assurance Company of Chicago, when President Koch was representing that company in Buffalo as its general agent.

Mr. Thomas H. Johnston, of Sheffield, Ala., has been appointed superintendent of agents for the American Mutual Life of Philadelphia, with headquarters at the home office. Mr. Johnston has been for some years secretary and treasurer of the Sheffield Rolling Mills, but is no stranger to the insurance business, having been previously engaged in this line of work.

Mr. Charles E. Dark, vice president of the American Central Life of Indianapolis, died at Battle Creek, Mich., last week after a long continued illness. The funeral took place at Indianapolis a few days ago. He was fifty-nine years of age. He leaves a wife and two sons connected with the American Central Life, W. W. Dark and Edward H. Dark.

Mr. William Triggs, who for many years was general manager in the United Kingdom for the Equitable Life Assurance Society of the United States, has been appointed chief superintendent (life department) for Great Britain and Ireland for the General Accident Fire and Life Assurance Corporation, with headquarters at Perth.

Mr. James W. Skinner, second vice president of the Northwestern Mutual Life of Milwaukee, was honored by the employees of his office on the occasion of his seventieth birthday by the presentation of seventy American Beauty roses to commemorate the event. He has been connected with the Northwestern since December 26, 1865.

Mr. Harry E. Phillips, for the past sixteen years with Hall & Henshaw, has been appointed special agent of the New York suburban territory by Whilden & Hancock, general agents for that territory, for the Philadelphia Underwriters of Philadelphia, and the Austin and Commonwealth Fire insurance companies of Texas.

Mr. Edward W. Young, assistant superintendent of the branch of the Prudential at 126 West Thirty-fourth street, New York, committed suicide by shooting himself in the head in the areaway of a house on West Forty-first street. He had not been seen by his family for several days previous to his death on Wednesday.

Mr. Alfred T. Wimberly, State manager of the Bankers Life of Des Moines, Ia., was found dead in bed in his home in Louisville, Ky., on August 18 from a self inflicted pistol wound in the head. A letter left by the suicide said that he was tired of life.

Mr. Samuel E. Belcher, who was secretary of the Jefferson insurance company of New York from 1859 to 1868, and president from the latter year to 1894, when he retired from business, died in the city of New York on Tuesday last, aged eighty-five years.

Mr. Charles E. Piper, supreme scribe of the Royal League, who has been vice president of the National Fraternal Congress during the past year, is a candidate for president at the annual meeting at Put-in-Bay this week.

Mr. J. E. Davis, formerly compact manager at Helena, Mont., and for some time an examiner in the Western department of the Continental, has been appointed special agent for southern Illinois.

Mr. William H. Kilpatrick has resigned the vice presidency of the Insurance Company of the State of Pennsylvania, after holding the position for a number of years.

Mr. James A. McVoy has been appointed actuary of the Missouri Insurance Department. He has been department examiner for a number of years.

Mr. N. T. Anderson, an agent at Atlanta of the National of Vermont, has been appointed Georgia State manager for the Des Moines Life.

Mr. T. A. Campbell, formerly chief clerk of the Chicago general agency of the Columbia Life, has been appointed general agent for Illinois.

Mr. S. J. Johnson, Jr., has resigned as Illinois special agent of the Providence Washington to enter another line of work.

Casualty and Surety Insurance.

Unusual accidents of the week are as follows: While driving in the country with his wife a man pulled the wrong rein and headed the horse into a beehive, and as a result the woman was so badly stung that she died two hours afterward; while chasing his wife's canary, which had escaped from its cage, a New York man tripped in the backyard and bruised his knee; a Pennsylvania woman while wading in a creek severed an artery in her left foot by stepping on a broken bottle on the creek's bottom and nearly bled to death before aid arrived; a five year old child picked up a live wire which was blown into the yard where she was playing and was instantly electrocuted; in trying to climb a picket fence an aged man's foot slipped and he was choked to death by the unyielding iron pickets; while carrying a lighted oil lamp at a boat club house a member tripped on a rug, and the oil from the exploding lamp burned him fatally; falling into the hold of a grain boat which was being unloaded a fifteen year old boy was dragged into the hoisting apparatus and smothered; practical jokers nearly caused the death of a Yale Law School student, who was tied hand and foot while asleep and then fastened to a horse, which dragged him about an open field, with the result that his head was badly bruised and his clothes torn to shreds; the explosion of a whiskey tank in the building of a wholesale whiskey dealer's plant, caused by a broken electric light bulb setting on fire fumes arising from the tank, resulted in serious injuries to an employee who was examining the tank; a motorcyclist was killed on a Paterson, N. J., track while

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trying out a machine which had been pronounced defective; a New York man who was summering at Highlands, N. J., died from a fractured skull as a result of the piazza railing of the hotel at which he was a guest giving way; because his chauffeur started up prematurely the machinery of his auto, which he was repairing on the road, a railroad magnate had his hand painfully crushed; falling asleep on the deck of his boat, a canal boat captain rolled into the water and was drowned because his head stuck in the soft mud of the bottom; struck by a blackjack while attending a dance, a Staten Island man died from blood poisoning, which resulted from a wound over the eye; a twelve months' old child innocently poked its tiny finger in its mother's eye and blinded her for life; thrown off a freight car by some tramps he was trying to arrest, a policeman received fatal injuries; a Long Island veterinary surgeon, bitten on the nose while doctoring a sick horse, died two weeks later from acute nephritis; the dropping of a 200 pound weight used to keep a ladder fire escape in place caused the death of an eight year old lad who was roller skating beneath; hurled under the platform of a merry-go-round when a ride stealer, driven from the carrousel by a guard, stumbled over him, a five year old boy had his hair caught in the mechanism and the skin on his scalp and back was torn off; a Trenton, N. J., mason lost his balance while pointing a chimney and slid off the roof of the four story building to the ground, being only slightly shaken up; while stealing a ride on a street car a ten year old boy lost his balance, and falling to the street was fatally hurt.

Underwriters were considerably interested this week in the **defense of the International Association of Accident Underwriters** by President Edson S. Lott, of the United States Casualty, who maintains that already enough has been accomplished to demonstrate the usefulness of the association. He holds that the fact that the association is at present instituting a tax reform campaign "is alone worth the price of admission," and that the standard manual begun and completed by the association speaks for itself as of great value to every casualty company, whether used by that company or not. He further calls attention to the bureau of information maintained by the members of the association, and the practical work done by the executive committee in watching legislation as valuable. The good feeling engendered by reason of the yearly meetings, and their attendant social functions, is in itself worth while, according to Mr. Lott, and tends to make the business competition cleaner. In replying to Mr. Lott, President Robert B. Armstrong, of the Philadelphia Casualty, acknowledges that the association has accomplished something, but he deplores a tendency, which he thinks that he sees, to "rest upon the oars." Although acknowledging that a standard policy is an impossibility he advocates standard clauses relating to the staple and principal losses of accident insurance. He expresses the opinion that such standard clauses are certain to be demanded before long by the different State insurance departments, and advises the accident companies to get on the band wagon, as did the fire insurance interests some years back in co-operating with the insurance commissioners to this end. Then part of the glory will adhere to the accident underwriters instead of to those outside the business who forced the change. He comments on the fact that some companies extend to their policyholders the proper amount of protection while others do not. Ultimately, therefore, he contends, accident underwriters will have to suffer a certain amount of regulation for the benefit of those who do not conduct their business properly. The co-operation of accident underwriters with the insurance departments would soon snuff out the lives of those companies which refuse to pay losses. Mr. Armstrong says that he believes in having all the frills and ornaments on a policy which any company may desire, but let these be added to the standard clauses and charge for them accordingly.

A victory for the companies writing **burglary insurance** was confirmed a few days ago by a decision handed down by Justice Scott in the Appellate Division of the New York Supreme Court in the case of Simon Pearlman, Samuel Pearlman and Daniel Fuchs, respondents, versus the Metropolitan Surety of New York, appellant. In the decision written by Justice Scott and concurred in by his associates the **policy condition** is **upheld** which requires the assured to keep his books and accounts in such shape that the actual loss in the event of robbery may be ascertained. This clause reads that the defendant is relieved from liability if the books and accounts of the assured and daily tally of money are not so kept that the actual loss may be accurately determined therefrom, nor unless said loss shall have been established by competent and conclusive evidence. The decision says:

The plaintiffs did produce some books, but the evidence respecting them, including that of one of the plaintiffs, was to the effect that it was impossible to tell from the books as kept that the goods on hand on any particular day could be accurately determined. As the proof stood there was not sufficient evidence to justify a verdict in plaintiffs' favor. We are further of the opinion that the complaint would not uphold any recovery by the plaintiffs. The allegations are that a policy was issued to S. Pearlman & Brother, and that subsequently by consent of defendant it was transferred to plaintiffs. It is then alleged that upon a certain date property of the kind mentioned in the policy was stolen from the premises named in the policy, but there is no allegation that the goods so stolen were the property of the plaintiffs, or that they had possession thereof, or had any insurable interest therein. In short, there is nothing to connect the plaintiffs with the stolen goods. This objection was duly taken at the trial. It follows that the judgment must be reversed and a new trial granted, with costs to the appellant to abide the event.

An impression appears to prevail in some quarters that a law was passed by the New York State Legislature at its last session requiring agents of fire and casualty insurance comnies **to take out licenses** and file copies of them with county clerks. A bill to this effect was introduced in the Assembly by Mr. Cuvillier, but it was not passed. First Deuty Superintendent of Insurance Appleton sheds light as follows on this matter in reply to a letter of inquiry:

No act was passed by the Legislature this year of the character referred to in your letter. Considerable confusion has arisen owing to an item carried by one of the press associations, which contained an erroneous statement as to the necessity of agents securing from this department duplicate copies of their certificates of authority for filing in the county clerks' offices. Presumably the person who prepared this article had his attention called to Chapter 623 of the Laws of 1907, amending Section 91 of the insurance law. This section only applies to life insurance agents. We are required to issue certificates of authority to such agents in triplicate, filing one copy with this department and forwarding two copies to the agent, one of which must be filed by him in the county clerk's office of the county where he resides. No such provision is contained in the insurance law at any point relative to fire or casualty agents.

According to the *Industrial Review*, the **lapse following adjustments** is a situation to be reckoned with in industrial insurance. It says:

The lapse following adjustments is perhaps the most serious question in industrial disability insurance today, and requires the wisest kind of treatment. The field situation has received the most attention from the companies in their meetings, but the bearing of policy writing and adjusting is in need of fully as much attention. This is not an attempt to lay down any specific adjusting rules which shall apply to individual cases, for that is the province of the technical men who deal with the adjustments of the various companies. The thought is rather some general principles which ought to govern in the relations between the company and the policyholder, when the policyholder becomes the claimant. The company exists for the payment of losses. There would be no reason for its operating at all if there were no losses to pay. Therefore there should be the

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best possible system in accomplishing its main object. It is quite possible that closer co-operation between the loss and policy writing departments would secure a larger measure of uniform equity in loss payments. This does not mean the paying less, but paying what is paid so as to leave a better impression upon the minds of the claimants. The Detroit conference, which has been so successful in what it has undertaken, might well initiate a better system of applying sound principles to the adjusting losses. The subject is certainly worthy of consideration.

Although those interested in the organization of the movement for uniformity of practice in **surety underwriting** continue to deny that this gathering has taken any action as to **increased rates,** surety men admit that there is a tendency to stiffen up rates all along the line, though denying that there is any organized movement of the companies regulating this matter. Such increases are explained as due to changes in the business and heavy losses, coupled with increased expenses, which make all the surety companies raise the prices for self protection. That higher rates may be maintained by companies which are all on a risk under the reinsurance agreement is pointed out as only natural under the circumstances. One company asks another to go on the proposed risk for a certain amount at a certain price, and an agreement to maintain the rate on all sides is claimed to be quite a natural one. Rates on depository bonds have increased from 25 cents to 50 cents. Advances in contract rates have also been made by some of the companies ranging from 25 to 50 cents.

The order of the Comptroller of the Currency to **Oklahoma** national banks to drop from co-operation in the association for **guaranteeing bank deposits** has been obeyed with the exception of five or six banks which have announced their willingness to surrender their Government charter if not allowed to join. All the national banks which had joined have signified their willingness to withdraw. The bankers state, many of them, that they were opposed to the principle all along, and only went into the guarantee fund arrangement for self protection. More than half of the national banks informed the department that they had never joined an association for guaranteeing deposits and did not intend to.

The business of the **Ontario Accident** of Toronto has been **reinsured** in the London and Lancashire Accident and Guarantee Company of Canada, and the former will retire from the field. The Ontario Accident began business in 1895, and had a subscribed capital of $105,050 and paid up capital of $67,445. The London and Lancashire Accident was recently incorporated with a subscribed capital of $500,000, of which $100,000 is fully paid up. The president of the company is Alfred Wright, of Toronto, and the manager Alexander McLean. The head office is in Toronto.

The **Columbus Casualty** of Columbus, Ohio, which was first organized as the Ohio Casualty, has received its certificate of admittance from the Ohio Insurance Department and has oppened offices in the Ruggery Building. The capital stock is $100,000. Officers have been elected as follows: President, W. D. Brickell; vice president and general manager, O. R. Farrar; secretary, Tod B. Galloway; treasurer, Frank R. Shinn; medical director, Dr. W. U. Cole, and general counsel, John R. Horst.

The **North American Accident** of Chicago is authority for the statement that it has had no trouble with the California Insurance Department relative to claim settlements in that State. No information to that effect has yet reached the home office through its San Francisco agent, nor have any charges been filed with him by the California Insurance Department.

The **bond** of W. J. Newman **for $324,000** guaranteeing his contract for wrecking the **Chicago City Hall** and putting in the caissons was written by the United Surety of Baltimore. Mr. Newman and his friends have given the United Surety individual indemnity of several hundred thousand dollars and a letter of credit for $35,000, so that the company is completely indemnified.

Unusually heavy losses have been reported recently by companies writing **teams theft insurance,** and as a result companies writing this line have found it necessary to increase the rates, which will hereafter be 5 per cent., with a minimum premium of $20 on all new risks. The increased rates will apply to renewals also after October 1.

A **life insurance** policy for $25 goes **with a towel** furnished by a certain towel supply house, according to the New York *Globe*. Should the customer use an apron as well his insurance mounts up to $60. The towel costs 5 cents and the apron 10 cents. The company is domiciled in New York city, according to the article.

The **Ocean Accident** has reorganized its Illinois inspection department at the suggestion of J. E. Callender, its Chicago manager, so that the same men will inspect both elevator, liability and steam boiler risks, resulting in better service.

The various travelers' accident, health and life insurance associations domiciled in Indianapolis have organized the **Commercial Travelers' League** of Indianapolis to advance the interests of traveling men throughout the State.

The **London Guarantee and Accident** is preparing to enter Ohio, the law requiring a deposit of $150,000 for the benefit of Ohio policyholders having been liberalized to make it for the benefit of all policyholders.

A company has been incorporated in New York city to defend and **prosecute accident actions** under the name of the Hanover American Accident Company.

The **London Assurance** has been admitted to transact business in North Dakota.

Insurance Legislation.

Complete copies of all important bills in the legislatures affecting insurance are on file in the office of THE WEEKLY UNDERWRITER.

Georgia.

ATLANTA, August 15.—The current session of the Georgia Legislature ended this week, and despite the number of insurance bills that were introduced there is no addition to the insurance laws. It is expected that the Governor will call an extra session at an early date, because considerable important business of a general nature was left uncompleted; but whether he will include any insurance measure in his call is uncertain. The separate insurance department bill is one of the most conspicuous of these.

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NATIONAL ASSOCIATION OF LIFE UNDERWRITERS.

Nineteenth Annual Convention at Los Angeles, Cal., This Week.

LOS ANGELES, August 20.—The nineteenth annual meeting of the National Association of Life Underwriters was held in this city on Tuesday, Wednesday and Thursday of this week. The president, Charles Jerome Edwards, of New York, was in the chair when the proceedings began on Tuesday morning at 10 o'clock.

After prayer by the Rev. Dr. Baker P. Lee, addresses of welcome to the delegates were delivered on behalf of the mayor of Los Angeles and by George I. Cochran, president of the Pacific Mutual Life insurance company, and John W. Whittington, president of the Life Underwriters' Association of Los Angeles. The latter said:

Your visit will further uplift and ennoble our profession, strengthen, broaden and develop our membership, enthuse and inspire us to more active energies until we shall realize more fully than ever before the import of our calling. We, the local body, believe more and more that the association is the need of today, that it is the dynamo of power, the channel through which many of our national difficulties must be adjusted and the Mecca of inspiration through which we shall overcome difficulties and succeed.

The Los Angeles association is composed of men who believe in their work—believe in its duties—men not easily discouraged and certainly men who have not lost faith. It is this stamp of men whom I represent in my word of welcome. May we all be benefited by the comradeship which comes from meeting one another face to face in the right kind of spirit, by getting into close personal touch with each other and gaining the proper respect for the opinions and purposes of those whose places are identical with ours.

In the course of his address of welcome President Cochran said:

There has been a tremendous outcry raised against the so called extravagance of securing the business, and possibly there has been some ground for the criticism, but it remains to be seen whether a proper amount of business can be obtained if too economical a spirit prevails. There has been about the same outcry against the expense of foreign missionary societies, yet the churches say, Look at the results! What do a few dollars mean when compared to giving the priceless benefits of Christianity to the heathen? There are tremendous sums spent every year in this country in supporting clergymen and charitable workers and in building costly churches and philanthropic institutions, not always marked by the best of economy or good management; and yet we are pointed to the comfort and solace that religion affords to our people and the great benefit derived by the state from the restraining and elevating power of religion. One would hardly think of curtailing the expense of the churches and charitable institutions of our country by state regulations and laws for the protection of church members and those charitably inclined.

Perhaps this illustration may seem a little far fetched, yet when we consider the good that life insurance has done for the family and the state, and the great good it is doing daily and continuously, we cannot help feeling it is worth all it costs and a good deal more. The fact remains that the future of the business rests with the agency forces, and if sufficient compensation be not provided for the right kind of men to do the work and spread the gospel of the rate book the business of life insurance will decline and fail to accomplish its destiny.

On the platform with President Edwards sat E. Myron Wolf, Insurance Commissioner of California; Gail B. Johnson and J. F. Roche, respectively first and second vice presidents of the Pacific Mutual Life.

On roll call a large attendance was apparent and good humor accompanied some of the responses. In answering for the Los Angeles association Mr. Whittington announced: "Mr. President, we have a full delegation." The Louisville delegation responded next: "We are also full." When Philadelphia was called, William G. Carroll, the only member of that delegation present, said solemnly: "Mr. President, we are not full." W. M. Wood, of Pittsburgh, declared, "Also sober." William Herrick, of St. Louis, of which delegation he was the sole representation, asserted, in deep tones, "Not full, but susceptible."

ADDRESS OF PRESIDENT EDWARDS.

President Charles Jerome Edwards, of the National Association of Life Underwriters, then addressed the association. After thanking the generous life insurance brethren of California for their magnificent greeting to the delegates from all parts of the land, and speaking of the healthy growth of the association, he said:

In the matter of legislation our thoughts and our energies have been centred upon the situation in New York State, and the effort to secure a reasonable amendment to Section 97 of the Armstrong law. This has been so widely discussed and the situation is so generally understood by life insurance men that it is hardly necessary to revert to it here except to preserve the chronological record of association work.

The Toronto convention was asked to support the efforts of the association in New York State in securing a moderate and fair modification of the extreme features of the law. Your president recommended to the Governor of New York that a commission be appointed of practical life insurance men, actuaries, officers, agents, as well as legislators—a course generally adopted when public question arises regarding a technical or complicated matter for legislative action—which, however, the executive did not see fit to follow in this instance.

No other State, save Wisconsin (from which most of the companies withdrew), has followed New York in the matter of attempting to limit the expense of procuring new business, which means a regulation of the compensation of agents. The radical experiment in that line which was placed on the statute books of New York in 1906 speedily proved its own unsound and harmful character, clearly demonstrated by the figures given by the Superintendent of Insurance of New York in his report giving the results of the first year's experience under the legal limitation. The record of the injury done by the State of New York to its own companies, and to most of those of other States doing business within its borders, was so plain that under normal conditions it would have seemed an easy matter to procure a prompt change in the law.

As the New York law controls agency expenses throughout the country, and has thereby so seriously affected the maintenance of efficient field organizations, the National Association, in co-operation with the local associations in that State, devoted its efforts toward procuring needed amendments there.

And at this point let me express the immeasurable debt that life insurance agents everywhere, irrespective of companies or associations, owe to William C. Johnson, the chairman of the joint legislative committee of the New York associations. Mr. Johnson, with the perception of a keen legal mind, with a technical knowledge of life insurance which he was able to apply to the practical necessities of the business, and with an unselfish, untiring disposition to meet the obligation put upon him by the association, and serve the interests of every agent, spent the greater part of four months in perfecting and endeavoring to secure the passage of the amending bill and its approval by the executive.

With the record of the effect in general of Section 97, after a full year's trial, and with the intimate information concerning its baneful influence for disorganization and loss, which was gathered from underwriters in all sections of the country and placed before the lawmakers, there was no difficulty in securing the approval of the Insurance Committee of both branches of the New York Legislature to needed and proper amendments, and they were passed unanimously in the Assembly, and with but one dissenting vote in the Senate—that of Senator Armstrong. The law as it stood, and unfortunately stands, provided an insufficient standard of expenditure, both for the first and subsequent years, having in view the needs of the business as a whole, in all sections, not alone in the great cities, but in towns and villages and

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country districts, from which, prior to the passage of Section 97, came some of the best business which was written by the companies. The law was one under which companies who might be favorably situated, and the bulk of whose business came from the old and well settled section of the country, might get on for a while, largely because of the support and assistance which they could give their general agents, and through them to solicitors, through renewal or expense commissions, arising from old business.

What was needed was a law suited to average rather than exceptional conditions, which would allow the procurement of business in all sections of the country on terms which would permit agents to make a living from business currently produced without having to depend upon past earnings. Such a law was the amendment which, as all know, failed to receive the approval of the Governor of New York, whose record indicates that he may be fairly credited with honest intentions and a desire to do right, but which also demonstrates a failure to appreciate that conditions overthrow theories. We doubt if there be any other citizen of New York State, unprejudiced from a personal viewpoint, who, if charged with this responsibility, would have withheld approval of this amendment passed by the legislative body by a practically unanimous vote and supported by the leading insurance companies, the insurance press and the insurance experts of the land at an open hearing at which not a word of opposition was voiced. Thus the efforts of the agents resulted in failure, owing to the peculiar personal attributes of one ruler, who had the power given, without the wisdom to use it for the best good of the people and the welfare of a mighty business. The task undertaken last winter will, however, doubtless be again assumed at the earliest appropriate moment, and insurance men can rest confident that in the end justice will be done them and burdensome and improper restrictions removed or amended, for their cause is a righteous one, the need real, and is certain of ultimate relief, just as soon as the matter is dealt with on its merits, reasonably and without prejudice.

PUBLIC OPINION.

My opportunities during the past year for observing conditions in all sections and listening to opinions from varied sources have satisfied me that the growing familiarity of the public with life insurance has become a matter of liberal education.

Formerly, life insurance was a matter of individual education, or elucidation by the agent to the prospect. Then came the investigation which opened the floodgates of inane and often insane vagaries on the part of sensational newspapers, and the opportunity of the muck raking magazine writer—whose chosen field is to crucify rather than create. The institution of life insurance was assailed, all insurance management condemned, and the agency end of the business vilified. But following this, just as the pendulum swings from one extreme to the other, came a realization of the importance and an appreciation of the value of life insurance, and the evident wish on the part of the public to understand and know more about it; with the result that today the men who write for history, the political economists who write analytically, and without prejudice, are telling the correct story of life insurance. The belief in life insurance as an institution is broader, the demand for life insurance as a necessity is greater, and the appreciation of its benefits and blessings is deeper than ever before. The constructive period has begun and is extending every day.

Nothing could be more significant of this than the action of many of our universities of higher learning in establishing chairs, where, with other questions of political economy, the theory and practice of life insurance is made a part of the curriculum. And I am impressed with the important part played by one of our own associations in this direction; for instance, during the last two years there have been maintained by our Minnesota association a course of lectures on life insurance, for which the speakers were obtained and all expenses paid by such association; and as a direct result of the interest thus fostered a chair of insurance has just been permanently established in that university.

TAXATION.

But the education of the public regarding life insurance must extend to other channels, and consider other features than those relating merely to its value as a protection, the question of management, and a knowledge of forms, premium rates and dividends. One condition which most particularly affects every policyholder of today, and much more scandalous than even the wildest imagination of the yellow journalist, is the prevailing mania for taxation with which every State legislature has became inoculated. The idea seems to have been that the life insurance company was a mighty corporate octopus, and that behind it was an indefinite ogre or something enjoying special privileges which it must pay for, and so this gigantic gouge of ten millions per annum upon the American life insurance companies, called a tax upon premiums, but in reality a tax put upon prudence and thrift by the lawmaker, thoughtless or careless of the interest and welfare of the policyholder. There can be but one result—either a premium in excess of what is required to carry the insurance, or a minimized dividend.

The original idea of a State tax was to provide a fund to bear the expense of State supervision; this, however, could and should be taken care of solely by license fees; and undoubtedly such fees are sufficient for such maintenance. Broad minded, farseeing and conscientious officials of insurance departments all over the country, such as Commissioner Rittenhouse of Colorado and Commissioner Potter of Illinois, express themselves frankly as opposed to this unjust taxation put upon the thoughtful, unselfish husband and father. Other insurance commissioners tell me that any consideration of the question has been refused by their legislatures, because it would decrease the revenues of the State. The remedy for all this is the handwriting on the wall, "Federal supervision"; such exclusive supervision which will put a stop on graft, eliminate extraneous expenses, foster fair conditions, and give us the far reaching benefit of uniform laws.

TWISTING.

Field conditions have improved to the extent that there are practically no unfair field methods in vogue among respectable, responsible life insurance agents. Fairness toward fellow agents, and honest statements regarding other companies have become the accepted principle of the association and the daily practice of its members everywhere. In many communities where the association has declared that competition ceases with securing of the application, conditions indicate a growing demand for life insurance and an immense increase in business written. Where every agent is boosting instead of knocking, creating confidence instead of dissatisfaction, the community soon becomes susceptible to the spirit, listless interest becomes a demand and criticism gives way to confidence.

Twisting has been the most deplorable evil ever indulged in by life insurance agents, and in some communities this practice has grown to abnormal conditions during the past two or three years. Life underwriters' associations generally throughout the country have gone on record against this pernicious practice, and consistently pursued a policy of creating public confidence rather than assailing companies and attacking agents.

Attention is called to the statute passed at the recent session of the New York Legislature, which provides that an agent making misrepresentations to any person insured in any other company for the purpose of inducing such person to lapse, forfeit or surrender his insurance, is guilty of a misdemeanor, and his license as agent shall be revoked. It should be the business of this convention to declare itself clearly and squarely on this subject, and to define to the world our belief in correct methods of competition for all agents to follow. We must emphasize that the practice is not only unfair but immoral; we know that a policy that is twisted or transferred is not new life insurance, but is energy wasted as far as adding to the beneficence of insurance. We know that it entails a positive money loss to the policyholder. We know that the twister creates suspicion, destroys confidence in insurance generally, and perforce assails the reputation and honesty of the agent who originally created the demand for insurance. When life insurance agents realize the immoral side of this twisting business the sentiment against it is certain to crystallize into deed and deed will become a habit. Create a healthy sentiment and you have ideal conditions.

The president alluded to the need of providing for the support of the *Life Association News*, and concluded with a cheerful forecast of the future for the business and the laborer in the life insurance vineyard.

Frequent applause interrupted the flow of the president's eloquence, and when he had concluded he was given a rousing reception.

At the afternoon session the opening feature was an address by Insurance Commissioner Wolf of California on "The Relation of a State Insurance Department to Those Who Buy and Sell Insurance."

REPORT OF THE SECRETARY.

The secretary, Mr. Waite, in his report said that the past year had been one of hardship and discouragement for a great many members. A large number were not present simply because business has been coming so hard that they could not see their way clear to take the time or spend the money required to make

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the trip. In spite of adverse conditions, and the fact that hundreds of men have had to seek other means of making a livelihood, the association shows a loss of only ninety-eight members. Increases in the membership of local associations during the year were as follows: Detroit, 8; Erie, 1; Iowa, 5; Kansas City, 9; Lincoln, 3; Los Angeles, 3; Louisville, 7; Minneapolis, 13; Newark, 3; Pittsburgh, 11; San Francisco, 28; Toledo, 1; Utah, 9, and Virginia, 3. The secretary said:

Any falling off in membership sustained during the past year has been partially counteracted by the new members added to our organization. The Kansas Association of Life Underwriters of Topeka joined with a membership of twenty-two, the Louisiana association just joined brings sixteen new members, and the Texas organization has also rejoined. The Burlington, Vt., association is reorganizing, and will be ready to re-enter as soon as a meeting can be called of that association. New associations are promised in Charleston, S. C., Nashville, Memphis, Mexico and Sioux Falls, S. Dak.

A warm tribute was paid by the secretary to President Edwards, who during his term of office has visited thirty-two associations, including Pittsburgh, New York (three times). St. Louis, Boston, Vermont, Philadelphia, Grand Rapids, Detroit (twice), Rochester, Central Massachusetts, Life Presidents' Association, Hartford; western Massachusetts, Baltimore, New England Women's, Syracuse, Buffalo, Newark, Manchester, Portland, Cleveland, Chicago, St. Paul, Minneapolis, Des Moines, Omaha, Peoria, Springfield, Dayton, Cincinnati, Louisville and Indianapolis.

MR. DOBBS ON THE EDUCATION OF THE AGENT.

Mr. Charles Dobbs, associate editor of the *Insurance Field,* read a paper entitled "The Education of the Agent." He claimed that a revolution had been wrought in the methods of the life insurance business in the past three years, and discussed its effect upon the companies, the public and the agents. He said:

1. We have for the companies a new era of complete publicity in the matter of condition and methods. We have, either through voluntary action, or compulsion, greater policy benefits and privileges. In short there has been a closer approximation in the business to the ideal of a purely public function discharged without profit.

2. With the public we have a degree of education among the substantial element which gives cheerful assent to the scriptural proposition that he who does not provide for his own is worse than an infidel. We must accord to the credit of a recently deceased Louisville man, I believe, the dictum that "a sucker is born every minute." Natality tables do not indicate any decrease in the birth rate in this respect. The swindler still has a practically boundless field of operations, but in life insurance the laws concerning publicity and compelling a very real mutuality in company principle and practice have served greatly to restrict, if not wholly to extirpate, the bunco artist.

3. Survivors of the "good old days" do not need to be told that something has happened to the agency end of the life insurance business. Thousands of agents have abandoned the business to exercise their talents in other lines of endeavor. Many have gone with companies not hampered by the restrictions of Section 97 of the New York Code, and are performing profitable, honorable and socially useful work, but the greater number have gone into the remorseless maw of economic evolution to be assimilated, more or less benevolently, like other workers who have been displaced by improved machinery of production and distribution. As a general proposition, therefore, it would appear that we are safe in assuming that a numerous type of old agent has passed from the field, and that the necessity exists for the new type.

ONLY APPROXIMATIONS POSSIBLE.

Right here, however, it may be well to explain that it is impossible to dogmatize about the changes in life insurance business —whether these changes affect the company, the public or the agent. We may only make general statements in describing what has been done, and we may only note tendencies in any inquiry as to the future. He is a wise prophet who clothes his predictions in such Delphic phrase that he may not be convicted of mendacity if things don't work out exactly according to schedule. Accordingly I have no intention of making myself liable to conviction for false prophecy, but even the most careful conservatism cannot be blinded to decided changes affecting agency methods which have taken place.

The first great cause of these changes is, of course, the reduction of commissions in compliance with New York's Section 97. Companies cannot duplicate the old agency contracts under which so often the general agent was able to make advances to subagents, who in only about 10 per cent. of the cases repaid the outlay. There is still a lusty outcry for something more than "50 and nine 7½'s," but certainly the signs are abundant that, pending some liberalizing amendment of Section 97, general agents have shown a disposition to accommodate themselves to the reduced commission basis. Not a few men are here with smiling faces who a year ago were sitting disconsolate by the river of Babylon, and swelling that lugubrious stream with their hopeless tears. A near philosopher has recently declared that the man whose income is reduced from $100,000 a year to $75,000 suffers more than one reduced from $15 a week to $10. The rich man makes more noise about it, but the volume of the cry of pain is never a true measure of the extent of injury. We know that many of the men who proclaimed that the life insurance business had been done to death have found that weeping didn't pay and with fine pluck have put on their fighting clothes again. With the optimism that always accompanies the fighting spirit they see that conditions are not nearly so bad as they seemed when the blow of reform first landed. Indeed, many general agents are today making more money out of life insurance than ever before.

This condition comes by reason of the fact that they are spending much of their time in personal canvass. This means the general agent is getting the first commission which generally went to the sub-agent in the old days. Another cause for congratulation is that not a few companies are putting larger sized policies on their books than ever before. This is due to the personal canvassing of general agents who, as a matter of course, mingle with men of larger financial resources than the prospects of the average sub-agent. When the general agent collects the 50 per cent. commission on a premium of succulent size and quality, things don't seem so bad after all.

OLD REGIME WASTEFUL.

Possibly more than any other man is the laborer in the life insurance vineyard worthy of his hire, and by a variety of legitimate new methods under present conditions it is still possible to make good money; but why may we not as well admit that the old régime was, upon the whole, wasteful and uneconomic, in so far as the hiring and management of agents were concerned? A well informed general agent at the Toronto convention last year estimated that 450 out of 500 agents commissioned proved failures. Such a percentage of failures can be tolerated upon only one of two conditions—either the sub-agent is on the same plane as the common laborer, where the supply is so abundant that we can afford to be careless in using it, or else the margin of expense is wide enough to permit experimenting with ten men to get one capable agent, or both. These assumptions are incompatible with the exalted theory and practice of the life insurance business. Evils, however, are seldom corrected through conscious effort to confirm to any ideal, and while we may now make a point of economy in our arguments with prospects, it is probably worth while to note that the life insurance business didn't get virtuous in this respect until it was compelled to.

But that is to some extent an abstraction in ethics. The necessity to which agency methods must accommodate themselves is that the distributive arm of life insurance must be more economically conducted. With the now practically universal recognition that life insurance is a necessity, the companies have provided a strictly business series of propositions for sale to a public which measurably knows what it wants. Of necessity, therefore, the thing for sale must be placed in businesslike fashion. With the margin of expense reduced, it is no longer possible to give away insurance. It is not safe to hazard any guess as to just how many sub-agents under the old régime gave away the insurance they were expected to sell, but it is significant that the rebater has all but completely been driven from the field now that insurance in conservative companies must be sold and not conferred upon the coy prospect as a gracious gift.

And this is as it should be. If insurance is worth having it is worth paying for, and it is obvious now that the old conditions which permitted the giving away in whole or in part of something so precious were economically and ethically unsound. Rebating meant waste somewhere, and under the license in agency methods, which this waste permitted, it would have been a miracle if the character of the average life insurance agent of the past had been other than it was. Distributing a commodity of unstable price, he was unstable himself, and in the majority of cases incapable of real salesmanship. Accordingly, he was classed too often in the public mind with the fruit tree and lightning rod agent, because,

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like them, he disposed of his goods through "slick talk" and the general line of representation employed by the vendor of auriferous building material.

The speaker said that the need of the future was a trained agent instructed in the theory and practice of policy forms and the duties and scope of home office administration, possessing the capacity to analyze a financial statement so as to determine solvency and utilize the various exhibits of financial condition, understanding the legal aspects of the agent's duties and having knowledge of human nature. He concluded as follows:

This is merely a tentative list which might be indefinitely extended, but the items mentioned cover details which have already been reduced to a practical teaching basis. It is significant that serious effort to devise courses of salesmanship has been made, because this effort demonstrates a need and demand for such a supply of instruction. Whether the present systems of teaching will meet all the needs of the future only experience can show, but they have at least proved that they can increase the efficiency of the agent already producing and equip the new agent with effective weapons in the fight for signatures on the dotted line.

Possibly the greatest value of any system of training is to give the agent confidence in himself. The new man is prone to feel diffident in the presence of either his more experienced associates or competing rivals, and training shows him there are no mysteries in the business of which he need be afraid. By a course of study he is able to master all a man need to know before sallying forth with a rate book. The hard lessons which pioneers have had to learn by experience can now be assimilated easily and pleasantly from the spoken word or printed page. When the lessons are learned the new man is armed with the greatest of all assets in salesmanship, the knowledge that he knows his business. Put upon men so equipped the work of distributing life insurance and the agent will become in larger measure what he has been in the past—the Missionary of Thrift, the Conservator of Civilization.

At the conclusion of Mr. Dobbs' address, which was much applauded, the convention adjourned to Wednesday.

In the evening the delegates were entertained with a reception and ball at the Hotel Virginia, Long Beach.

SECOND DAY'S PROCEEDINGS.

At Wednesday's session, which began in the morning with President Edwards in the chair, there was a lively discussion on the question of "Is Twisting Ever Justifiable?" in which William G. Carroll, of Philadelphia, chairman of the topics committee; C. C. Courtney, of Kansas City; G. A. Newkirk, of Denver; Charles W. Orr, of Indiana; A. S. Rothwell, of Oregon; William G. Herrick, of St. Louis; C. J. Johnson, of San Francisco, and J. Edward Meyers, of St. Paul, took part. Mr. Meyers sounded the keynote on "twisting" when he said: "The country is full of it. Figures don't lie, but liars do figure. 'Twisting' undermines the public confidence in all agents. The only cure for it is to show and sell your goods in the right manner."

ADDRESS BY CYRUS K. DREW.

Mr. Cyrus K. Drew, editor of the Denver *Insurance Report*, discoursed learnedly and entertainingly on "Hints From the Realm of Fraud and Fallacy." The operations of the Rhodus Brothers and the exploiters of "Board Contracts" came in for his attention. Continuing, he said:

We are too prone to employ publicity as a means of abuse against all of our legislative evils. Insurance legislation that is harsh or restrictive is always condemned upon the assumption that it is chargeable to the system of State regulation of insurance. The education of the legislator on insurance topics is something with which an insurance department seldom dares concern itself, even when competent to do so, which is not often the case. Publicity in your home district, man to man with your representative, is the only hope of correcting the evils of legislation. More insurance men should become legislators.

It is fashionable to refer to the agency stock scheme and others of like character as novel and modern. Yet the original promoter in life insurance operated as early as 1707. His name was Charles Povey, and he organized a company in London, issuing a policy which paid a death benefit to the heirs, but which also gave to the insured a percentage rake-off from the profits derived from "the printed papers sold by the office." Thus originated at one and the same time two things that have come down to us—one the direct antithesis of the other—the special concession agreement on the side and the system of trade journalism. Life insurance has been disgraced and dishonored by the one, while the other has been legitimately developed, until today it is the most powerful medium of hopeful, intelligent publicity connected with the business.

LIFE INSURANCE TAXATION.

I hope to see this organization apply skilled publicity to the subject of ridding life insurance of the annual robbery of twelve millions from policyholders under the guise of a tax by the States. By only one means can this campaign be made effective—by a direct appeal to the pocketbook of the premium payer. He must be made a positive promise, in lieu of this tax, that a greater dividend will be paid under his policy or a specific reduction made in his premium. One of the most effective means to reach the heart of this problem would be to print something like the following in red ink on the front of each policy issued and on every premium receipt:

The premium under this policy is $....., which includes the sum of $....., assessed by your State against the total premium income of this company. It is the only system of income taxation known in this country, and insurance corporations are the only corporations whose income is taxed in any way whatsoever. Should this discriminating and burdensome tax against the income of this company, in common with all life insurance companies, be eliminated, your premium under this policy would be $....., or $..... less than it now is.

It is perhaps hoping for too much to expect the States to entirely wipe out this "tax upon thrift." But the campaign of education must carry the conviction that no matter if the tax be a 3 per cent. or 1 per cent., the principle is wrong and that justice demands relief. The lack of uniformity in the taxes assessed by different States makes the problem a difficult one. The better way, of course, would be to take the total tax in each State, add it proportionately to the premium now charged residents in each particular State, and explain the reason for the increase on each policy and on the premium receipt. Such a measure, while drastic, would quickly arouse a general public protest that would set legislators to thinking and produce action. I am advised that this particular phase of how to reach the taxation evil has been seriously considered by company officials. With the agency stock evil greatly lessened—though the fight against this fraud must be kept up vigilantly—life underwriters should bend their united energies to acquaint the people with the fraud of company taxation by educating them how it comes out of the pockets of policyholders. It is a long, hard fight ahead, and only through persistent, intelligent publicity can it be won, as it surely will some day.

EXAMINATIONS OF COMPANIES.

One of the most atrocious frauds from which we all suffer flaunts itself as official probity. I refer to the system of examinations of new life companies, often farcical if no worse, as practiced by some State insurance departments. There is, perhaps, little dishonesty these days in our insurance departments, but there is entirely too much dangerous incompetency—a condition that probably will continue until commissioners are chosen with a view of fitness and not as a political reward.

No life company during the first fifteen years of its existence should be permitted to run longer than twelve months at any time without a thorough overhauling, conducted by a competent actuary. In far too many instances the regularly appointed actuary of the insurance department libels that official designation. One of our biggest fights in Colorado was to prevent the peanut politicians from altering the law so that it should provide that the actuary shall have been a resident of Colorado for five years prior to his appointment. The kind of actuaries needed in insurance departments are not to be found wasting five years in a new, undeveloped State waiting for political preferment. The best actuarial talent that can be hired is none too good to be in charge of a life insurance company examination, especially a new company, in these days of skillful manipulation.

TWISTING.

Shall there be twisting? By all means, yes, but let it be concentrated in heroic effort to prove to misguided holders of policies that assessment life insurance is as the house built upon the sands, that fraternal insurance is bound to become very costly if it is to be made secure, and that every device with promises of enormous dividends or heavy profits in life insurance is a snare and a fraud. Welcome the coming day, not far distant, when there shall be no false pretense about life insurance. In that day the rage of fads and frauds, of fakes and fallacies will have ended. Then folks will be able to recognize a stock insurance company for what it actually is, because it will not be courting future troubles by writing forms of insurance other than straight non-participating contracts. The day of the misuse of the word

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"surplus" shall have passed, and there will be so clear a designation that he who runs may read and understand what it is that is classed as policyholders' reserve profits in a mutual company, and what constitutes stockholders' "velvet" in a stock company.

THE INSURANCE MILLENNIUM.

In that day we shall have no rebaters, no knockers and no twisters tearing down rival legitimate companies. The comparison of misleading ratios, and the false conquest of dividend paying powers in differing companies will then be but a memory of more strenuous days. And that hoary old phantom bugaboo, "keep your money at home," now used to bolster up new local concerns, will have been given the kibosh and chased to the woods by that superior public intelligence which comprehends and values properly the extensive magnitude and the far reaching benefits in the world wide financial operations of all the older companies. There will be no excessive dividend estimates in those days, a practice that helps a company to rapidly sell the business, but which reflects adversely when the actual results fall short of the estimates. Only a wildcat company destined to an early death at best can afford to permit the use of excessive dividend estimates. Deceptive literature, unfair and misleading policy contracts and the padding of annual statements will disappear in that good old time surely coming. And there shall be no misrepresentation and no knocking, the twin evils that have caused the public to look with distrust upon the life insurance agent. The rounders to whom the habit of misrepresentation is generally confined should be driven from the business.

THE KNOCKER.

What shall be done with the knocker? He flourishes too numerously, I fear. There is far too general a use of ammunition that is false and unfair directed by general agents and their solicitors against their competitors. Life insurance stands at the very top among earthly institutions. To protect the widow and the orphan is a destiny that insures to the whole country a higher standard of morality. Only the ministry, with its uplifting trend in the moral improvement of the community, performs the good done by life insurance.

Would it not be strange to see a Presbyterian minister denouncing the ministers and the members of the Methodist Church? Not all of the opportunities for good deeds by this association and its allied local organizations will have passed in that idealistic time, for you will still have the American's great liking to be humbugged with its opportunity to go on and on in your efforts to teach him that there are no cross lot paths in life insurance, and that the only short cut to the successful establishment and perpetuity of a life insurance company lies along the beaten, straight and narrow road of legitimate practice and skilled, economical, honest management.

The afternoon session began with an address by Second Vice President John F. Roche, of the Pacific Mutual Life insurance company, on "Legislation and Its Dangers," in the course of which he said:

What in all the length of its sittings did the Armstrong investigation unearth? No company was shown to have paid its claims other than promptly and dollar for dollar, and no company was paraded whose dividends to its policyholders had not been generous and thoroughly satisfactory.

Were it not for the damage done and the distrust caused by the Armstrong investigation there would have been written during the last three years more than $1,000,000,000 worth of life insurance more than was written, and some $100,000,000 of old business that has lapsed in this same period would undoubtedly be now on the books. In the years 1902-3-4 the business in force of the companies reporting to New York increased by the great amount of more than $2,455,000,000. Whereas in the years 1905-6-7 the business in force of these companies increased only by about $400,000,000.

The results, therefore, of the last triennial period, as compared with the previous triennial period, show a loss of more than $2,000,000,000 of insurance in force. Allowing an average of $2,000 a policy, there are more than 740,000 policies less in force than there otherwise would have been, and assuming an average premium of $30 per $1,000 of insurance, there is an annual amount of $60,000,000, the greater part of which would be added to the aggregate wealth of the people, that is now being dissipated, for we know that the money paid for insurance generally is not otherwise saved at all.

MRS. SHAAL ON LIFE INSURANCE FOR WOMEN.

Mrs. Florence E. Shaal, president of the New England Women's Life Underwriters' Association, addressed the convention on "Life Insurance for Women and by Women." She said in part:

Until within the last ten years insurance companies have regarded women applicants for insurance with small favor, and they were only accepted with various restrictions and largely increased premiums. Experience has shown, however, that they are equally as good risks as men, and in some companies all these restrictions have been withdrawn, and women are accepted on exactly the same terms as men, and they can be written for any policy issued by the company. There are other companies that are still in the dark ages of life insurance history, and have not yet learned, or do not believe, in the emancipation of woman.

Since the woman life underwriter has entered the field women have been taught, and are learning to appreciate, the value of life insurance, not only as a protection, but as a means of compulsory saving, and a conservative investment.

The American woman is proverbially improvident. She has none of the thrift of her Scotch and French sisters, and unless there is an incentive to lay aside something for the future the salaried and professional women are apt to live up to their income without a thought of the years when their services may be less desirable, and their resources consequently much reduced. Other women who have independent incomes are the easy prey to all sorts of financial schemes that promise large returns in dividends, but prove to be only a quick and complete absorbent of their present capital, with no returns. How many women are in the Old Ladies' Home today because they have put their hard earned savings into such investments? To such as these the woman writer of life insurance has come as a real protector, on the one hand from thoughtless improvidence, on the other from the unscrupulous promoter.

As these words suggest, professional and salaried women, doctors, lawyers, teachers, nurses, stenographers, milliners and dressmakers, and all the varied forms of business women, are the most promising prospects for the woman life insurance underwriter. Besides these the woman of wealth is learning there is no better way to bestow her benefactions, while the successful author, the world renowned prima donna, and the brilliant dramatic star, have found insurance policies the best means of curbing too great a prodigality and extravagance.

The amount of insurance carried by salaried women is from one to five and ten thousand. Women with large incomes carry all the way from fifty thousand to half a million. The endowment policy is the form almost exclusively written for women, so it is plainly seen by whom the recent reduction in commissions would be most felt, and also to whom the New York gubernatorial veto came as a heavy blow.

With the large foresight and ready acceptance of new conditions and ideas, that somehow suggest the resistless sweep of her broad prairies, and the glorious height of her majestic mountains, insurance seems to have found greater favor with the Western woman than with her sisters of the more conservative East. We find that California, with the same lavish prodigality that has given us so royal a welcome, carries the largest amount of insurance on the lives of women of any State in the Union, and it also has the honor of claiming the most heavily insured woman. Missouri follows it a close second. The women of the East must not long permit this record to go unchanged.

As we have shown, the woman life insurance underwriter has the whole world of women at her command, and when we learn it is estimated that only twenty in every hundred men are insured, and the proportion of women is not even half of this number, we realize what a rich field is waiting for these workers. Never before has life insurance been so well understood; never has it been so readily accepted, and the woman insurance agent is beginning to receive the respect and honor that is her due.

Now we ask, "What manner of person is this new 'Woman Errant' who is going out to wage battle for the defense of womanhood against her own improvidence?" * *

Any well educated woman of good presence should be able to succeed in this noble calling, for it requires no capital but the characteristics with which nature has endowed her, plus the ability for persistent, systematic work, and the buoyancy that will not "strike sails" to disappointment and failures. For as Longfellow has so well said:

"Defeat may be victory in disguise,
The longest ebb is the turn of the tide,"

and failures and defeat must sometimes be her portion as well as success. Everybody admires the stern, determined doer who smiles at disappointments and turns defeats into victories simply by refusing to be defeated. Such a one cannot fail to succeed.

All over the United States women are making brilliant successes as life insurance underwriters, as incomes all the way from one to ten thousand a year will attest. They are college graduates, professional women, teachers, social leaders, all sorts and condi-

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tions of women, in fact. They are finding this a most attractive business because of the inducement it offers of greater freedom, the opportunity for mental growth and development, the keen pleasure of meeting and convincing an opponent, of coming in contact with such varied personalities and with quick perception adapting one's self to each. Here in the busy, bustling, humdrum walks of everyday life one can feel the joy of the victor who has met and conquered a worthy opponent in a worthy cause.

Some one has said that "next to the Christian ministry there is no nobler calling than that of life insurance." I believe this, and am proud to represent such a calling. I like that expressive word "calling," for I do believe some people are "called" to take up this vocation as surely as any clergyman ever heard the divine "call" to his sacred office. Emerson says, "The talent is the call."

My hope is that more women will hear the "call" of this special talent and go out to the noble work of teaching her sister woman how to preserve her freedom and independence and loving helpfulness. For by thoughtful foresight she can surround the old age with every care and comfort, perchance provide some younger brother and sister with the longed for college education, fulfill her own desire for the broadening experience of travel, or secure a competence that will give her later years added usefulness and dignity.

After the appointment of a committee on nominations for officers by the president, the convention adjourned for the day by the request of the entertainment committee, and the delegates were taken upon an automobile ride through the city and environs.

In the evening there was a reception to the visitors at the Chamber of Commerce.

THIRD DAY'S PROCEEDINGS.

The announcement was made at the opening of Thursday's session that the winners of the prize essays on "Publicity from the Standpoint of the Agent, the Company and the Policyholder" were Charles E. Bent, of the Los Angeles Association, and Alfred C. Newell, of the Georgia Association, the first taking the Calef Loving Cup and the second the Ben Williams Vase. L. Walter Sammis, of Chicago, made the presentation speech.

The convention listened to an address on "State Insurance from an Historian's Point of View" by Professor Henry Morse Stevens of the University of Chicago.

MR. GREGORY ON CALIFORNIA INSURANCE LEGISLATION.

The subject of Mr. E. H. Lestock Gregory's address was "California Insurance Legislation." Mr. Gregory is president of the San Francisco Association of Life Underwriters. He said in opening:

We have all heard of Commissioner Rittenhouse of Colorado, whose name has become a terror to the company or agent inclined to improper practices in the sale of life insurance, and whose acts speak volumes for what can be accomplished when an insurance commissioner makes up his mind to be a real, practical working official. The insurance condition in Colorado is a shining example of what can be done by co-operation between a brave, conscientious official, with an earnest desire to be of real use, and a life underwriters' association.

The Colorado Insurance Department stands out pre-eminently today as a department which really regulates the companies doing business in that State, and it is wisely looked to by the commissioners of many other States for information in insurance matters, to say nothing of the numerous agents and general agents doing business in other States, who look to Rittenhouse bulletins to keep up to date in the knowledge of that which is good, bad and indifferent in insurance.

Coming to the practical question of how to effect legislative insurance reform, Mr. Gregory spoke as follows:

How are we going to bring about the passage of the necessary laws? That's the question—that's the vital question that must be answered, and it means work, immediate well organized effort on the part of life insurance men in this State, and we should be assisted by every citizen who has an interest in good, clean reliable life insurance. Working as lobbyists in committee, buttonholing Senators and Assemblymen, won't do any good; I know that. I tried it, and succeeded, to what extent do you think? I assisted in the defeat of one cinch bill at Sacramento last year. At the time something more than a dozen bills drawn by the Insurance Commissioner for the purpose of reimbursing as many life companies for payment of taxes incorrectly collected by the Insurance Department were up to the third reading in the Senate, and the Senator who introduced the bills peremptorily withdrew them at the last moment, and in reply to my request for his reason for so doing practically informed me that it was my reward for the defeat of the measure I helped to oppose successfully in committee the night before. There is only one way to get the results we desire, and that is the same way that Colorado did—through the close, earnest and friendly co-operation of the insurance commissioner with the life underwriters' associations, and by having life insurance men on the floor of both houses as members. That's the way—the only way.

Why shouldn't life insurance men in this State go to our Senate and Assembly? They are certainly as much interested in the welfare of the interests in general of their communities and could legislate as intelligently in connection therewith as men engaged in other occupations, while they could give the great interests of life insurance in this State, interests which vitally concern practically every good citizen—interests representing more savings, more money belonging to the people than any other single enterprise—interests that have helped to so great an extent in the upbuilding of San Francisco—much more intelligent consideration than legislators taken from any other walk in life.

I tell you, gentlemen, the people of California and the clean political bodies of this State should insist on having several good life insurance men in our legislative bodies in order to foster and protect their interests.

The immediate work of the Los Angeles and San Francisco Life Underwriters' associations should, in my opinion, be directed toward calling the attention of the existing political organizations to our association, our aims and the fact that we want, must have, and shall have recognition.

After the prize essays were read the committee on nominations reported officers as follows for the ensuing year, and their election by the association was unanimous:

President—Charles Jerome Edwards, of New York (re-elected).
First Vice President—John W. Whittington, of Los Angeles.
Second Vice President—William E. Tolman, of Hartford.
Secretary—Will A. Waite, of Detroit (re-elected).
Treasurer—Eli D. Weeks, of Litchfield, Conn. (re-elected).

The third vice presidency was left vacant, to be filled automatically by the new president of the Canadian Association of Life Underwriters when he shall have been elected.

The invitation of the delegation from the Louisville Association that the next annual meeting be held in that city was unanimously accepted.

The final adjournment was prefaced by resolutions of thanks to the genial Los Angeles hosts for their munificent attentions, which resulted in the most successful convention socially in the career of the National Association.

Another great banquet came off in the evening at the Hotel Virginia, Long Beach, at which President Edwards acted as toastmaster and ex-Mayor Phelan, of San Francisco, responded to the toast "California's Contribution to the Nation."

Miscellany.

Third Annual Meeting of the American Life Convention at Denver.

The American Life Convention, composed of fifty of the younger life insurance companies of the Central, Southern and Western States, held its third annual session at Denver, Col., on Wednesday, Thursday and Friday of this week.

President Bascom H. Robison, president of the Bankers Reserve Life, said in his address that the companies represented in the convention had in force 260,562 policies, aggregating insurance in force of $492,937,501, and that their combined assets amounted to $42,598,209. He said in continuance:

A brief review of the organization of the convention may be of interest. Resolutions were adopted at a meeting held in Chicago December 5, 1905, at which there were present executive officers of legal reserve life insurance companies of Indiana, Illinois, Iowa, Missouri, Nebraska, Ohio and Tennessee. At a meeting held at the Jefferson Hotel, St. Louis, January 30, 1906, for further con-

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ference, a constitution and bylaws were duly adopted. The first annual meeting of the convention was held on Lookout Mountain, Tenn., in September, 1906, with a registered membership of thirty-four companies. The second annual meeting was held in Indianapolis during the first week of September, 1907, with forty-three life insurance companies represented. The resolutions adopted contain the declaration of principles which have governed the action of the executive committee in its work and the deliberation of the members at the meetings of the convention.

A voluntary organization, created of necessity under the inspiration of a community of interest spirit, it has accomplished results greater than was anticipated by its originators. The organization has grown in membership, influence and power in keeping with the tenets of its constitution. The existing insurance laws, on which are based billions and billions of insurance contracts, approximating in amount the entire tangible wealth of the country, are the result of evolution, the growth of legislation covering a period of seventy years in this country. In life insurance, as in business, commerce, railway, banking and other human affairs, conditions are constantly changing, many times abruptly, when revolutionary, necessitating a complete reorganization of plans and systems enforced by new laws. Legislation designed to correct abuses when inspired by political agitation is liable to be drastic, destructive and subvertive. * *

The members of the convention realize their great responsibilities with necessity for maintaining firmly the doctrines which are embodied in the declaration of principles. The resolutions heretofore adopted invoke reforms; favor wholesome laws and their strict enforcement; favor publicity, economy and strict statutory provisions as to the character of securities in which the trust funds of life insurance companies may be invested; favor the first year term method of valuation, both in theory and practice, whereby the new business written should pay the cost of procuring the same, and be no direct or indirect charge on the old business for either the cost of procuring it or for the reserve thereon; and oppose standard forms of policies on the broad ground that it interferes with the right to contract. Policyholders should be taken into the confidence of the management of the company wherever their interests require it. The closest possible relationship should be cultivated with them. Policyholders constitute the great bulwark for the maintenance and perpetuity of the insurance organizations of the country. It is of the greatest importance that their co-operation, support and influence be invited wherever their interests are involved.

The meetings of the convention are for conference, acquaintance, suggestion, education and unity, where topics of vital concern to the business of life insurance are to be discussed and unity of purpose and action secured, to the end that the management may be strengthened; that the benign, beneficent influence of life insurance may be extended to every home and be perpetuated in America.

An address of welcome was spoken by Thomas B. Stearns, president of the Colorado National Life of Denver, and Dr. Felix G. Cross, president of the Columbia Life of Cincinnati, responded. Dr. Cross called attention to the fact that the destinies of the majority of the great insurance companies of the country are directed by men who have grown old in the business, citing this as a proof that no age limit can be placed on the usefulness of a man in business.

Secretary Franklin B. Mead, of the Michigan Mutual Life of Detroit, read a paper on "Maximum Individual Risk to Be Safely Carried by Company Compared with Assets, Volume of Business and Surplus," which was followed by a discussion. He argued for the greatest conservatism in taking large individual risks.

In the discussion that followed the prevailing opinion was that young companies should begin by writing small policies and should not accept risks larger than $5,000 until they have written enough small policies to be able to pay their largest risk from their income. A company should not try to measure the size of a risk by assets or surplus, but by the volume of business carried.

At the close of the discussion Guilford A. Deitch, of Indianapolis, introduced a resolution in honor of Charles E. Dark, former president of the organization, who died at his home in Indianapolis last Thursday, which was adopted.

At an executive session in the evening plans for dealing with dishonest agents and medical examiners were discussed.

At Thursday's proceedings a paper was read by L. A. Dean, counsel for the State Mutual Life of Georgia, on "Taxation and Retaliatory Legislation," in which he called attention to the fact that the taxes collected from life insurance companies are far in excess of what is needed to maintain the State Insurance Bureau, and that the excess goes toward maintaining other departments of the government. He declared that the insurance companies are discriminated against in this particular, and that millions of dollars are annually taken from the income of the companies which should go into the surplus funds and thus become the property of the policyholders. Many States tax foreign companies far higher than domestic companies, which has led States originally having uniform taxation rates to retaliate by discriminating against foreign companies.

A resolution was adopted by the convention as the result of Mr. Dean's paper providing that the members of the convention attend the insurance commissioners' meeting to be held in Detroit next week, and use every effort to secure their aid in obtaining a uniform rate of taxation for insurance companies in the various States.

Mr. C. A. Atkinson, vice president and general counsel of the Federal Life of Chicago, discussed "Policy Provisions as Interpreted by the Courts," and uttered a complaint that the courts very generally discriminate against the companies and in favor of the policyholders in interpreting life insurance policies. He spoke of various decisions by appellate courts where the established rules for the legal interpretation of contracts had been varied in rendering decisions against insurance companies.

A technical discussion followed the reading of a paper by C. H. Beckett, of the Lafayette Life of Lafayette, Ind., on "Profit and Loss Account of the Uniform Report Blank." Those taking part in the discussion were Lucius McAdam, of the United States Annuity Life of Chicago; Richard D. Hughes, of the Majestic Life of Indianapolis, and H. W. Cochenower, of the Minnesota Mutual Life of St. Paul.

At Friday's session officers were elected, particulars of which had not reached us at time of going to press. A final adjournment took place in the afternoon.

Statement by the Union Central Life Insurance Company Regarding the Increase of Its Capital.

President Jesse R. Clark of the Union Central Life insurance company of Cincinnati has issued a statement regarding the recent decision of the directors to issue $400,000 treasury stock from surplus funds accumulated from non-participating policies. The following are extracts:

On December 31, 1907, the total amount of outstanding insurance was $256,564,566, and of this amount the sum of $48,742,437 was issued on non-participating plans, the policyholders not participating in the profits. Under a bylaw of the company, which has been in existence continuously since the year 1873, stockholders of the company are entitled to a semi-annual dividend of 5 per cent., payable from the general funds of the company on the first days of April and October annually, and to further dividends consisting of the profits derived from policies issued without profits to policyholders.

Prior to June, 1908, no dividends other than the semi-annual dividends of 5 per cent. had ever been declared in favor of the stockholders. That fact, however, did not in any way affect or impair the right of the stockholders to the profits from non-participating business, under the bylaw referred to, whenever such profits were shown to exist and the directors deemed it proper to declare dividends therefrom.

Aside, however, from any question as to whether profits from the non-participating business had accrued in the earlier years of the company's history, the fact is that the stockholders of the company have always desired to pursue a conservative course, and adopted the policy of first establishing the financial success and stability of the company on a firm foundation, with an adequate surplus, before undertaking to avail themselves of profits to which they were clearly entitled under the bylaws, in addition to the semi-annual dividends.

Prior to the year 1908 the company had never undertaken to keep separate accounts of its participating and non-participating

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business, and no accurate calculation had been made showing the amount of surplus, if any, derived from policies issued without profits to policyholders. However, during the years 1906 and 1907 the States of New York, Louisiana, Minnesota, North Dakota, Colorado, Wisconsin and Delaware passed laws requiring that all foreign life insurance companies issuing both participating and non-participating policies should submit, with their annual statements separate accounts of profits and losses with reference to each of said kinds of business. These laws were all applicable to the Union Central Life insurance company, and during the present year the State of Ohio has also passed a similar law, requiring separate accounts to be kept of the non-participating and participating business.

Accordingly, early in the year 1907 this company proceeded to inaugurate plans for keeping accurate separate accounts of the two classes of business, and for ascertaining definitely the amount of surplus, if any, derived from non-participating policies during the entire history of the company down to and including December 31, 1907. The work of making these calculations and this separation was very heavy and burdensome. It occupied a considerable force of the office more or less continuously during a number of months. In order to be able to comply with the statutory requirements of different States, if for no other purpose, it was necessary for the company to make a division of the surplus, showing separately the amounts derived from participating and non-participating business as of December 31, 1907.

As a result of the investigation it was found that at the close of business December 31, 1907, the profits derived from policies issued on non-participating plans amounted to $779,788. In making this calculation and arriving at this result, all known elements of doubt were carefully resolved in favor of the surplus from participating business and against that from non-participating business. The methods employed in these calculations were approved by the actuary of the company and by the special actuary employed on the work, and the results of the investigation were adopted by the directors of the company.

The annual statements rendered by this company to the Insurance Departments of Ohio and other States for the year 1907 showed a total general surplus of $2,510,619.70, and that $1,630,-831.70 was derived from participating business and $779,788 from non-participating business.

Under the bylaw of the company this sum of $779,788 belonged absolutely to the stockholders of the company. Indeed, without such a bylaw the stockholders would, in the absence of any provision to the contrary, be the sole owners of the profits arising from policies issued without profits to policyholders. This is a proposition of law too clear to require argument. In non-participating insurance the policyholders own no part of the surplus, which is purely the profit of the stockholders. Vested rights of stockholders of a life insurance company are as inviolate as those of stockholders in a bank, a railroad company or other corporation engaged in business for profit.

As stated in my letter of July 6, it became necessary before July 1, 1908, to increase the capital stock of the company by at least $100,000 in order to be permitted to continue in business in the State of California. A similar situation existed in the States of North Dakota and New Hampshire, both of which require foreign joint stock life insurance companies to have a capital stock of at least $200,000. It is true that under the California law and the ruling of the Insurance Department the Union Central Life insurance company would have been permitted to continue in business in that State if policyholders who are not stockholders were given representation on its board of directors. This course could not be adopted because—if for no other reason—it is expressly forbidden by the laws of Ohio, which require that all directors shall be stockholders. The company had no choice but to increase its capital if it desired to engage in insurance business in the three States named.

Inasmuch as it became necessary to make an increase of at least $100,000, it was deemed best by the company at once, without further delay, to increase the paid up capital stock to the amount authorized by the charter of the company, to wit, $500,000. This was accordingly done by the issue of the remaining $400,000 treasury stock pro rata to the stockholders. In taking this action the company anticipated possible future legislative requirements, and at the same time carried out the plan of the company provided for by its charter, and contemplated by the founders of the company as a measure of fair and reasonable profit to the stockholders, who have taken their hazard in the investment of their capital during the forty years in which the company has been in existence.

The policyholders of the company never had any right to, or claim on, any part of the $400,000 thus transferred from the non-participating surplus to capital account of the company. In so far as this particular amount, $400,000, is concerned, the rights of policyholders have not been diminished in the slightest. No policyholder on the participating plan ever contributed a dollar of that amount. Dividends to policyholders are not dependent in any way on profits from non-participating policies.

Press Opinions of the Proposed Candidacy of Governor Hughes for Re-election.

(The Insurance Press.)

Since their failure to secure the Governor's approval to the amendment of Section 97, life insurance agents have had a conviction that Mr. Hughes' mental range, in insurance matters, is hopelessly contracted and diminutive.

The Governor may be a broad visioned investigator instead of a squinty inquisitor. He may be aware that the insurance companies of New York and their agents are not prospering. He may be concerned over a situation which is hurting the State and its citizens and permitting its corporations to be raided by competitors and speculators from other States. But the opinion of most insurance men is that Governor Hughes either does not know or does not care.

So, admiration for the Governor and confidence in his constructive statesmanship are far from being general among 15,000 life insurance agents—and some others.

(The Commercial and Financial Chronicle.)

It is easy to admit Mr. Hughes' personal integrity and his desire to obey a rigid although impracticable conscience. His defects are temperamental: a lack of a due sense of proportions; obsession by the dangerous idea that good ends may rightfully be pursued by bad means; a seeming notion that a minority is right in proportion to its smallness and that consistency forbids ever changing one's views. Not more than one or two other men in public life today so aptly illustrate the wit of one who said that the mind of a bigot is like the pupil of the eye, in that the more light is poured upon it the more it contracts. He came into view as a baiter of corporations; his position and fame have grown from that experience, and he is unable to rise above it or to see beyond it. Good intentions may be granted to him to any extent; he is temperamentally unfit to hold any reins of power.

(The Insurance Record.)

The men engaged in the business of life insurance have nothing to hope for nor nothing to fear in the retention of Governor Hughes in office, beyond a continuance of the present conditions. He can do no worse than he has done for the interests of all concerned, and he will do nothing of a favorable character. The thing is to prevent, if possible, a renomination. If this fails, a determined effort should be made to defeat him, and the situation brought about by his pigheadedness, when clearly set forth, will tend to this end. Meantime agents should make their voices heard.

(The Vigilant.)

The insurance business is too vast to be crippled year after year by the pigheadedness of one man who is bound to continue in force laws that are unwise in spite of the opposition, not only of the men engaged in it, but of the members of the Legislature. Such being the case, it is the duty of the insurance agents in this State, whose income has been decreased 50 per cent., of the policyholders whose property has been decreased millions of dollars in value, and the executive officers and trustees elected to protect the funds and the business interests involved to unite to prevent the nomination and election of Mr. Hughes for a second term.

(Insurance.)

Can Mr. Hughes now retain the Republican party vote and draw also from the unknown and ever shifting ranks of more or less independent voters? It is safe to assume that the Democratic party vote (represented in its minimum by the lowest figures given above) will stand unmoved. The Democratic bosses from this State accepted Bryan at Denver, because they do not care particularly who rules the United States; here, they are under no Bryan obsession, they are intensely interested in control of the State, and they will carry the State ticket if they can. A shift back of 30,000 from the Hughes vote would wipe out him and the rest of the State ticket, and not do any noticeable good to Taft in New York; what shall hold that vote, in view of the certainty that the Hearst play will not come on the stage again? Suppose the Democrats have the sense to name a man of the calibre of ex-Justice Parker, Mr. McClellan, Mr. Littleton or any man not objectionable?

The Hughes touters will urge that he is personally far stronger than in 1906. He may possibly have gained a few who did not

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vote for him, and he has very likely pleased some who accepted him then as a bitter alternative; it is also plain that if he had satisfied all who helped elect him there would be no question left. But the men who took him because they had to, and whom he has not satisfied, are to be reckoned with. He has not stopped with trying to be an honest executive; he has undertaken to run everything himself, and to make over the entire situation of things according to visions of his own. His goodness has been of an Ishmaelitic sort, in that it has put a hand against many men and trodden on many toes; he has made enemies everywhere, as any man who sets out on that sort of program inevitably does. The men and interests that have had enough and really desire to see the last of Mr. Hughes are many and weighty.

To mention some of them, the organizations in his own party, big and little, are against him. The men against whom he has turned his most blatantly proclaimed crusade are interested to down him; their moral status does not signify here—they know what they want and they are not weak. The financial and business interests he has struck at with his regulative schemes are against him. The labor unions and railway employees are more likely to oppose than accept him. The Germans and all who like things rather open are opposed to the "blue law" streak which makes him determined to cut everybody according to his own pattern. As for insurance interests, these need only be mentioned. If only a small fraction of the life policyholders in the State can be moved, their numbers are enough to bury any ticket out of sight. How much personal work by the life agents would it take to rub out those 30,000 votes which Mr. Hughes must keep if he wins? As for all interested in other underwriting fields, they should not make the great mistake of imagining they are safe against this great reconstructor for self righteousness.

The Saratoga convention meets three weeks from next Monday. If he is nominated, he can probably be beaten at the polls; but to wait to simply meet him there would be folly. The prudent and protective course is to move, preferably by letter, upon the delegates, choosing those geographically nearest but not neglecting any; some enlightenment of the known leaders would also be much to the point. Press home on them all that Mr. Hughes is a vulnerable and weak candidate who would have to be dragged through by the Taft momentum if he got through at all.

Mr. Frank E. McMullen, former president of the National Association of Life Underwriters and general agent of the Ætna Life insurance company at Rochester, N. Y., has made a statement regarding the attitude of the life insurance interests toward the proposition to re-elect Governor Hughes, from which the following are extracts:

The life insurance men in this State, numbering about 15,000, will oppose the re-election of Governor Hughes, because of his attitude toward life insurance, as evidenced by his action last spring in vetoing the Fancher bill, which sought to modify the drastic insurance laws framed by him while acting as counsel for the Armstrong investigating committee, and thereby enable the insurance companies more vigorously to prosecute the business of insuring lives. * *

All companies had to comply with the law or withdraw from the State of New York. Most of them set about to comply, believing that, should the law after fair trial prove unworkable, there would be no intelligent opposition to reasonable amendments thereto. The law became effective January 1, 1907. At the end of the year the following conspicuous results were noted: Thousands of agents abandoned the business for more promising fields of endeavor. Their places could not be filled to any considerable extent, because, under present expense limitation, little or no funds are available with which to secure and educate new agents.

What was the 1907 result to the public? Twenty-eight of the leading life insurance companies issued 110,000 policies less than in 1905 for more than $500,000,000 less insurance. Assuming that each of the uninsured is providing for four dependents, about 400,000 persons were deprived of insurance protection last year by this law. That will mean, in due time, a large increase in the number of persons to be supported by the States and the nation.

The bill vetoed by Governor Hughes would have allowed about 10 per cent. more for expenses, and while perhaps not sufficient, would have relieved the situation materially. It was passed by both Houses, after having been thoroughly threshed out before the Insurance Committee. Governor Hughes subsequently voluntarily called a public hearing on the bill, at which twenty companies were represented and also the National Association of Life Underwriters. At that hearing not one word was uttered in opposition to the bill; all favored it. Notwithstanding that Governor Hughes vetoed the bill, and thus gave notice to the world that he knows more about the needs and necessities of the life insurance business than all of the experts combined.

If the public good is to be served, the life insurance laws of this State must be amended, and we have no reason to believe that Governor Hughes will have rid himself by next winter of prejudices formed while acting as counsel for the Armstrong committee.

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ASSETS, $20,004,853.63. LIABILITIES, $19,235,418.20.

(Including Dividend-Endowment Fund)

Dividend-Endowment Fund (Deferred Dividends)	$1,795,020.00
Net Surplus	769,435.43
Insurance in Force	86,193,296.87

The forty-eighth annual report shows a gain in the amount of insurance in force; that assets were increased nearly $1,000,000, and that over $300,000 was paid to policyholders in dividends.

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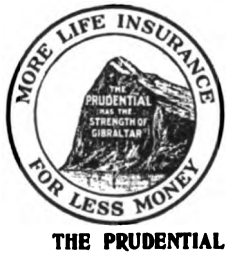

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ASSETS,	4,701,068.80
SURPLUS TO POLICYHOLDERS,	3,148,371.45

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LIABILITIES—Reserved for Reinsurance and all other claims	$6,705,870	
Capital Stock	3,000,000	
Surplus over all Liabilities	1,042,994	$10,748,864

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STATEMENT JANUARY 1, 1908

CAPITAL
$1,500,000
RESERVED FOR ALL OTHER LIABILITIES
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NET SURPLUS
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ASSETS
13,508,038

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Agencies in all the principal cities of the United States.

COMMERCIAL UNION ASSURANCE CO.

LIMITED,
OF LONDON.

OFFICE:
Cor. Pine & William Sts., New York.

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1825. THE 1908.

Pennsylvania Fire Insurance Co.

OF PHILADELPHIA.

Cash Capital	$750,000.00
Reinsurance and all Liabilities	4,096,833.14
Surplus	1,615,283.97
Total January 1, 1908	$6,462,117.11

R. DALE BENSON, Pres. CHARLES W. MERRILL, Asst. Sec.
JOHN L. THOMSON, Vice-Pres. HAMPTON L. WARNER, Asst. Sec.
W. GARDNER CROWELL, Sec. WM. J. DAWSON, Sec. Agency Dtep.

NOTICE

Insurance Losses and Claims for Damages amicably and satisfactorily Adjusted. Otherwise resisted, defended at Law or in Equity for Companies by

T. F. HANLON

ADJUSTER AND ATTORNEY

BALTIMORE, MD. CALVERT BLDG. WASHINGTON, D. C. COLORADO BLDG.
(Address Washington. 'Phone: Main 7132).
Twenty-five years' experience Member Bar U. S. Supreme Court.
GO ANYWHERE. OPERATE ANYWHERE.

The Connecticut Mutual Life Insurance Company

Stands alone among the American companies of any note, in having repaid to its members, their beneficiaries and estates, in annuities, endowments, death claims, surrender values and dividends, more than it has received from them in premiums. These are the totals:

Received since organization—1846	$249,356,745.45
Repaid as above noted	253,641,382.54
Excess over amount received	4,284,637.09
Assets December 31, 1907	65,003,271.10
Surplus December 31, 1907	2,326,657.25
Insurance in force December 31, 1907	174,716,005.00

President, JOHN M. TAYLOR.

SUN

Insurance Office OF LONDON

FOUNDED 1710

UNITED STATES BRANCH:
54 PINE STREET, NEW YORK

WESTERN DEPARTMENT:
171 LA SALLE ST., CHICAGO

PACIFIC DEPARTMENT:
N. E. Cor. Sansome and Sacramento Sts.
SAN FRANCISCO, CAL.

Western Assurance Company

HEAD OFFICE: TORONTO, CANADA.
INCORPORATED 1851.

Hon. GEO. A. COX, President.
W. R. BROCK, Vice President.
W. B. MEIKLE, General Manager.

UNITED STATES STATEMENT, JANUARY, 1908.

Assets	,313,222.31
Surplus in United States	$2 584,136 52

BRITISH AMERICA ASSURANCE CO., INCORPORATED 1833.

FIRE AND MARINE. Head Office: TORONTO, CANADA.

UNITED STATES BRANCH.

JANUARY 1, 1908

Assets	1,545,432.69
Liabilities	1,063,661.55
Net Surplus	$481,771.19

HON. GEO. A. COX, President. W. R. BROCK, Vice President.
W. B. MEIKLE, General Manager.

WANTED

BY

The Manhattan Life

Insurance Co.

Live, energetic men for some excellent territory. Exclusive and liberal contracts will be made with the proper parties.

The Armstrong Committee found no questionable methods in The Manhattan Life Insurance Company.

Address

W. B. LANE, Vice-Pres.

66 BROADWAY, NEW YORK

COMMON SENSE PROTECTION

includes insurance against
1. DISEASE 2. ACCIDENT 3. DEATH

THE COLUMBIAN NATIONAL LIFE INSURANCE CO.

OF BOSTON, MASSACHUSETTS,

provides all three, as no other company does incorporated under the stringent laws of Massachusetts. **Attractive, Non-participating Life Policies. Liberal and Definite Accident and Health Policies. Surplus to Policyholders, over $1,800,000**

Men with clear records wanted as District Managers. Save time by sending record and references with first letter to

Home Office: 176-180 Federal St., Boston, Mass.

CHARTERED 1866.

HARTFORD LIFE

Insurance Company of Connecticut

GEO. E. KEENEY, President.

ALL THAT IS BEST IN LIFE CONTRACTS
EITHER TO BUY OR SELL

$30,000,000 Paid Policyholders and their Beneficiaries.

GERMANIA

FIRE INSURANCE COMPANY

NEW YORK.
ORGANIZED 1859.

Cash Capital	$1,000,000.00
Assets	5,185,649.51
Net Surplus	949,260.99

HEAD OFFICE
Cor. William and Cedar Streets.

London Assurance Corporation,

CHARTERED A. D. 1720.

Surplus in United States January 1, 1907, $650,599.91.

CHAS. LYMAN CASE, Manager.
84 William Street. NEW YORK.

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Mutual Life Policies

ARE EASIEST TO SELL

BECAUSE

Yearly dividends have been increased for the last three years, 1906-7-8, at a rate equaled by no other company.
Cash values guaranteed in the new life and endowment policies are equaled by few companies.
Attractive features have been added to standard policy forms.
Liberal terms offered producing agents under the 1908 contracts.

For information, address

GEORGE T. DEXTER
Second Vice-President
The Mutual Life Ins. Co. of New York
34 Nassau Street, New York, N. Y.

Head Office for the United States:

57 and 59

William Street,

NEW YORK.

LONDON & LANCASHIRE FIRE INSURANCE COMPANY

A. G. McIlwaine, Jr., Manager.

OUR Course of Insurance Education Department for Furnishing Prospects, New "Model Policy," Will Plough the Field and Assure the Harvest for Good Agents.

Phœnix Mutual Life Ins. Co.

Write Home Office. HARTFORD, CONN.

The Agricultural Insurance Company of Watertown, N. Y.

ESTABLISHED 1853.

Assets, January 1, 1908	$2,717,477.10
Total Liabilities, except Capital	1,705,859.80
Joint Stock Capital	500,000.00

Northern Assurance Company,

OF LONDON, ENGLAND.

EASTERN AND SOUTHERN DEPARTMENTS,

38 PINE STREET, NEW YORK.

GEORGE W. BABB, Jr., Manager. T. A. RALSTON, Sub-Manager.

THE Fidelity and Casualty Company,

97-103 CEDAR STREET, NEW YORK CITY.

Assets, $7,537,429.91.

Capital and Surplus, $2,013,400.24.

Losses Paid to January 1, 1908, $26,629,131.90.

This Company grants Insurances as follows:
Bonds of Suretyship for persons in positions of trust,
Fidelity Bonds, Burglary, Plate Glass,
Steam Boiler, Flywheel, Employers',
Public, Teams, Workmen's Collective,
Elevator and General Liability;
Personal Accident, Health
Physicians' Liability and
Bonded Attorneys' List.

OFFICERS:

George F. Seward, President.
Robert J. Hillas, Vice-President and Secretary.
Henry Crossley, Assistant Secretary.
Frank E. Law, Second Assistant Secretary.
George W. Allen, Third Assistant Secretary.

SURETY ON BONDS

Home Office Building, New York.

American Surety Company of New York

100 Broadway, - New York

Capital, $2,500,000

Bonds issued for Employees, Administrators, Guardians, and in Judicial Proceedings.

STATEMENT DECEMBER 31, 1907.

Resources (including Capital, $2,500,000)	$6,365,342.47
Liabilities (including Reserve, $1,126,946.11)	1,746,329.08

HENRY D. LYMAN, *President.* W. S. JOHNSTON, *Vice-President.*

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HOME OFFICE OF THE

Metropolitan Life Insurance Co.

INCORPORATED BY THE STATE OF NEW YORK

The Company OF the People, BY the People, FOR the People.

PROOF OF PUBLIC CONFIDENCE

This company has more premium paying business in force in the United States than any other Company, and for each of the last 14 years has had more New Insurances accepted and issued in America than any other Company.

The number of Policies in force is greater than that of any other Company in America, greater than all the Regular Life Insurance Companies put together (less one), and can only be appreciated by comparison. It is a greater number than the Combined Population of Greater York, Chicago, Philadelphia, Boston, St. Louis, Cleveland, Cincinnati and Milwaukee.

Largest Office Building in the World—Madison Avenue, Fourth Avenue, 23d Street and 24th Street, New York City.

SIGNIFICANT FACTS

This Company's Policy-claims paid in 1907 averaged in number one for every 64 seconds of each business day of 8 hours each and in amount $124.95 a minute the year through.

THE DAILY AVERAGE OF THE COMPANY'S BUSINESS DURING 1907:

452 per day in number of Claims Paid.
6,891 per day in number of Policies placed and paid for.
$1,239,393.45 per day in New Insurance placed and paid for.
$162,489.27 per day in Payments to Policyholders and addition to Reserve.
$72,011.34 per day in Increase of Assets.

ASSETS.

United States, City and R. R. Bonds and Stocks	$81,500,727.38
Bonds and Mortgages	74,620,197.45
Real Estate	19,905,688.42
Cash	5,258,969.45
Demand Loans on Collateral	3,476,500.00
Loans to Policyholders	6,552,375.12
Prem. deferred and in course of collection (net)	4,772,106.25
Accrued Int., Rents, etc.	2,233,904.15
Total	$198,320,463.23

LIABILITIES.

Reinsurance Fund and Special Reserves	$181,775,579.00
All other Liabilities	1,542,371.65
Capital and Surplus	13,951,899.14
Total	$198,320,463.23

OFFICERS

JOHN R. HEGEMAN	President
HALEY FISKE	Vice President
GEORGE H. GASTON	2d Vice President
GEORGE B. WOODWARD	3d Vice President
FRANK O. AYRES	4th Vice President
JAMES M. CRAIG	Actuary
FREDERICK H. ECKER	Treasurer
WALTER STABLER	Comptroller
JAMES S. ROBERTS	Secretary
JOHN R. HEGEMAN, Jr.	Asst. Secretary
J. J. THOMPSON	Assistant Secretary
T. R. RICHARDSON	Assistant Secretary
F. F. TAYLOR	Assistant Secretary
FREDERICK A. BETTS	Assistant Secretary
STEWART L. WOODFORD	Counsel
THOMAS H. WILLARD, M. D.	Med. Direct.
AUGUSTUS S. KNIGHT, M. D.	Med. Direct.
W. S. MANNERS, M. D.,	Asst. Med. Director
E. M. HOLDEN, M. D.	Asst. Med. Director
I. J. CAHEN	Manager Ordinary Dept.

Paid to Policyholders since Organization, plus the Amount now invested for their Security, $407,462,482.06.
Number of Policies in Force, 9,620,009. Amount of Outstanding Insurance, $1,804,946,581.00.

In its Ordinary Department policies are issued for from $1,000 to $1,000,000 on individual lives, premiums payable annually, semi-annually and quarterly. In its Industrial Department policies are issued on all the insurable members of the family for weekly premiums.

Full particulars regarding the plans of the Metropolitan may be obtained at its Home Office, 1 Madison Ave., New York City, or of its Agents in all the principal cities of the United States and Canada.

NATIONAL LIFE INSURANCE CO.

of the United States of America

CHICAGO

ESTABLISHED 1868

ALBERT M. JOHNSON, President
ROBERT E. SACKETT, Vice-President
CHARLES B. SHEDD, Treasurer
ROBERT D. LAY, Secretary

RECORD OF 1907

Insurance in Force December 31st. -	$50,066,932.77
Gain in Apportioned Surplus in 1907, -	105,734.09
Gain in Assets. - - - - - - - - -	1,037,668.19
Excess of Income over Disbursements,	1,093,023.43

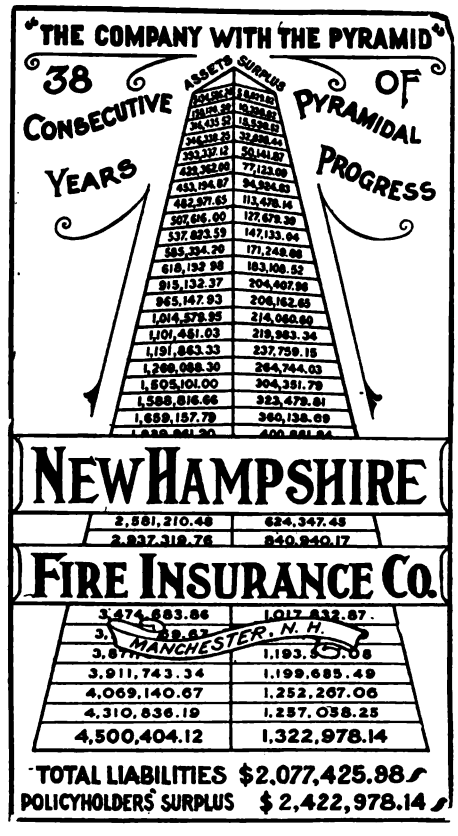
CHICAGO'S OLDEST AND STRONGEST COMPANY

Provident Life and Trust Co.

OF PHILADELPHIA.

The **new policies** of the Provident are unsurpassed for conciseness and simplicity of form and for adaptability and liberality in all essentials.

The premium rates of the Provident are exceedingly low and are still further reduced by large annual dividends.



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The Weekly Underwriter:

AN INSURANCE NEWSPAPER.

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CHARLES A. JENNEY, President and Treasurer. L. ALEXANDER MACK, Secretary.

EARNESTNESS was the feature of the convention of State Insurance Department Commissioners at Detroit this week. There was a full attendance of members at every session, and close attention was given to the proceedings. The papers read—though most of them were, as customary, unnecessarily prolix—were on live topics and touched vital interests in all branches of insurance. Particular attention will be attracted to the report and recommendations of the special committee on taxation, the radical plea of Mr. McGivney of Louisiana for State regulation of fire insurance rates, Mr. Rittenhouse's justification of State supervision against the attack of the insurance committee of the American Bar Association, and Mr. Love's unconvincing defense of the Robertson investment law of Texas. These appear in our special report. The transactions of no national convention can be of more importance to underwriters than those of the powers which may help or mar the business.

HAVING been checked in his latest Wall Street endeavor to prove that "a sucker is born every minute in these United States," Thomas W. Lawson has made public as evidence of his virtue a personal letter in praise of himself, written by John A. Johnson, Governor of Minnesota. This Johnson was the Governor whom Lawson corralled, in company with Richard Olney, Alton B. Parker and Benjamin F. Tracy, to assist him and Attorney Untermyer in their scheme to obtain control of the mutual life insurance companies. Johnson even started to come on to the great mass meeting of 150,000 policyholders in Madison Square Garden, New York, called by Lawson, which did not meet. His infatuation for the speculator begot in those delirious days has never waned, for he writes of Lawson in his latest letter in a strain of wild extravagance, of which the following is an example:

> I think I can measure from the reading of your letter something of the sacrifice which you may have made for the people of your country. I think I can measure something of the contribution which you have made for the civilization of the age, and I know that in believing in you myself I am not alone; that there are multitudes of people who believe in you and the work which you carried on, yes, successfully. It will not be stated by me, as it is stated by yourself, that your effort was a failure. On the contrary, it was a most magnificent and splendid success. The great insurance reforms which were wrought throughout the country were directly the result of your effort. The awakening of the conscience of American people has been to some extent due to your unselfish efforts.

The idea that the assaults of Lawson on the life insurance companies with the purpose of getting possession of them were a "magnificent and splendid success" and wrought "great reforms" "throughout the country" is truly illuminating—of the mind of Mr. Johnson. It discloses what the country might have been called upon to endure had not Mr. Bryan succeeded in cutting out his most dangerous rival at the Denver national convention.

So much interest has been manifested in the publication in our issue of last week of the statement of the president of the Union Central Life insurance company regarding the issue of treasury stock to the stockholders of the company that we reprint it this week for a still wider circulation. And it is proper in doing so to repeat what we said of its thoroughness and adequacy as an answer to any criticism of the company's course made through ignorance or malicious intent. As we observed before the explanation is extremely simple. The company does a participating and non-participating business. According to the bylaws adopted in 1873 shortly after the company was organized, the stockholders are entitled to a semi-annual dividend of five per cent., payable from the general funds, and further dividends, consisting of profits derived from policies issued to non-participating policyholders. The stockholders, notwithstanding their right to the latter dividends, have never in the nearly forty years' existence of the company demanded them, and it was only when the requirement arose recently for an increase of the capital of the company, in order to comply with the new laws of a number of States, that it was decided to issue enough additional stock from the surplus funds accumulated from non-participating policies to raise the capital to $500,000. This amount was fixed upon, not only to meet the exactions of the new laws alluded to, but any of a similar character that may arise in the future. The action taken by the stockholders was entirely within their legal rights, and within the domain of morals as well, for the policyholders have not been deprived of anything that belongs to them, and the stockholders have taken but a moiety of what is lawfully theirs. It is shown by President Clark's statement that of the $2,510,619 general surplus $779,788 was derived from policies issued on a non-participating basis. The company has been strengthened by the procedure of its directors, and no one will object to that, except those who may occupy the unreasonable position of enemies.

THE findings by Commissioner Hand upon the charges filed against District Attorney Jerome by a minority stockholders' committee of the Metropolitan Street Railway Company constitute also a vindication of George W. Perkins, Charles S. Fairchild and the officers of the Equitable Life Assurance Society in the matters in which they were brought to bar by the grand jury. In the cases of the two first named it will be remembered that the jury accompanied their presentment with a memorandum, declaring that they had been "constrained" by the district attorney to find the indictments, but nevertheless wished "to record their conviction that in doing the acts charged the defendants were solely influenced by the de-

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sire to benefit the policyholders of the New York Life insurance company, and neither did nor could in any way personally profit from the acts done." In view of this damper upon his efforts the district attorney had a hopeless case to take into court, and so it resulted, for Justice Dowling, in allowing the cases to be appealed, held that there was no evidence of "felonious intent." Commissioner Hand could hardly sustain a charge against District Attorney Jerome of negligence in trying to convict the defendants, under the circumstances. Indeed his report to the Governor not only excuses the district attorney, as we have said, but it declares the insurance people whom he failed to put in jail innocent of wrongdoing. As to the charges that Mr. Jerome neglected to prosecute the Equitable and Mutual Life officials for larceny in connection with syndicate operations, the report says:

The district attorney and his assistant came to the conclusion that as to such of the syndicates in which allotments were made to Hyde and associates, no crime was committed by Hyde or any of his associates, or any of the other officers of the Equitable Life in taking for themselves a part of such allotment; nor was any crime committed where such allotments were made to Hyde and associates, by failing to give to the Equitable Life any share in such allotments, because the allotment having been made to Hyde and associates, these men had a right to retain all or any part of such allotment for themselves. As to that part of the seventh charge relating to Andrew Hamilton, Andy Field, President McCurdy and his son, and his son-in-law, there is evidently no specification, and the allegation is hardly tangible or issuable sufficiently to be the basis of any investigation. These matters were, however, investigated by the district attorney.

The Appellate Division of the Supreme Court still has the appealed cases of the insurance officers in its keeping, but in view of the reversal in the case of Dr. Gillette there remains small uncertainty as to the ultimate result.

Facts and Opinions.

The proposed regulation of the **insurance business** under new **laws in Mexico** has aroused considerable interest. Foreign companies transacting life and sickness business only must deposit to the extent of $100,000, but if accident business is to be written $300,000 must be placed on deposit. Three-fourths of the deposit are returnable in the second year after authorization, providing the reserves of the company are in compliance with the law. The investments must be as prescribed and the deposit must be kept in Mexico. The foreign companies must apply before April 1, 1909, for authorization to transact new business. The control of the investments is likely to prove a fly in the ointment for the foreign companies, owing to the "invest your money at home idea," which is also prevalent in many States. As to reserves it is intimated that there is to be a special Mexican mortality experience taken out in the fullness of time. The companies are likely to criticise the fact that a full net premium valuation is proposed. The legal valuation rate is to range from 3 per cent. and 5 per cent., with the stipulation that it is not to be less than one-half per cent. lower than the rate earned upon the funds. Provision is made for investments of the usual kind with the usual dividend restrictions. Provision is made for the valuation of stocks and bonds as of December 31 in each year. As to solvency, two steps are proposed. When the investments of the company made in accordance with the law are not sufficient to cover the reserves, the company will cease writing new business until such impairment is made good. If, on the other hand, the reserves become impaired to the extent of 15 per cent the company must be declared insolvent. As to the general restrictions of the business there seems to be a tendency to ape the Armstrong law and its paternalistic properties. Application and medical forms are to be passed upon by the Insurance Department. A provision exists in the bill that managers of companies shall meet once a year and fix the maximum commissions. This is certainly novel.

The **fire hazard of Pawtucket and Central Falls, R. I.**, is the subject of a recent report of the engineers of the committee on fire prevention of the National Board of Fire Underwriters. The report states that the mercantile districts of both cities are susceptible to sweeping fires on account of the large amount of frame construction, structural weaknesses, narrow streets and overhead wire obstructions in a number of locations. The deficient water supply and the grouping of bad blocks increases the hazard for Pawtucket. Central Falls also has an inadequate water supply, which might jeopardize the city in case of fire. The fire departments are week in permanent men and the fire alarm systems are not reliable. Bad individual and group fires are possible in the manufacturing district. The minor mercantile and large parts of the residential districts offer ready fuel for a conflagration. Regarding the water supply the plant is a municipal one and supplies both Pawtucket and Central Falls. The pumping stations are non-fireproof, but generally free from exposures. The pumping capacity, though insufficient at present, will shortly be remedied by the installation of an extra pump. The main arteries are insufficient in size and not well connected with the distributing system, while secondary feeders are lacking in Central Falls. The hydrants are in good condition in Pawtucket and poor condition in Central Falls. Eighty-six per cent. of Pawtucket's fire department is fully paid, the remainder being call men. The companies are undermanned, and there are no weight or height or physical examinations for enlistment. The chemical service is good in Pawtucket and the hose fairly well cared for. Building inspection is only fair. Only 20 per cent. of the Central Falls department is fully paid, and the companies are decidedly undermanned. Ladder service is deficient, as is the chemical engine service, while the supply of hose is inadequate.

The **American Life Convention**, a report of whose proceedings up to Friday morning of last week appeared in our issue of the following day, closed its sessions by the election of new officers and executive committee as follows: President, Samuel B. Smith, counsel of the State Mutual Life of Rome, Ga.; vice presidents, one from each of twenty-five States; secretary, T. W. Blackburn, of the Bankers Reserve of Nebraska; executive committee, B. H. Robison, of Indianapolis; James B. Reynolds, of Kansas City, Mo.; Isaac M. Hamilton, of Chicago; W. K. Bellis, of Indianapolis, and Arthur M. Gildersleeve. of Denver. Judge L. A. Dean, general counsel of the State Mutual Life of Rome, Ga., was chosen chairman, and Guilford S. Deitch, of Indianapolis, secretary of the legal section of the association. Secretary Blackburn closed the proceedings of the convention with an address, beginning with a history of the organization and tracing its gradual growth and development down to the present time, and looking at the work that is still ahead of the organization charged the delegates not to forget their duties and obligations to the convention. It is reported that a strong feeling existed in the convention in favor of the appointment by the National Government of a Federal supervisor over life insurance to act in co-operation with the several State insurance departments.

The **National Fraternal Congress** was in annual session at Put-in-Bay, Ohio, August 21 and 22. The principal matter discussed during the meeting was the minimum rate of assessment plan. The proposed uniform bill, which is modeled after the fraternal insurance law of Ohio, was finally adopted, and will be recommended to the State legislatures

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this fall. "The substance of the whole question," said one member, "is this: A few of the old line companies are doing business under lower rates than the societies of the Congress and consequently getting more business. To prevent it they are now trying to force those organizations to a higher rate and will continue their fight on the floors of the legislatures."

To prove their position right the solvency or insolvency of the fraternal organizations must be shown to the public, and, when it is known, some radical legislation will unquestionably follow. When about fifty of the fraternal insurance societies of the congress are insolvent, according to the assertion of one speaker, then it is time that some of the fraternal organizations of the country be forced to comply more closely to both the recommendations of the actuaries.

In reply to a circular letter of R. W. Murray, president of the North Carolina Association of Local Fire Insurance Agents, asking for an expression of the views of fire insurance companies on the commissions question, Secretary W. D. Deane, of the Atlanta Home, has written as follows, finally declaring, as will be seen, for **15 per cent. flat:**

The writer at a meeting of the S. E. T. A. in the year 1905 discussed the commission question individually with Southern agents present, and expressed the conviction that the contingent commission plan would satisfy the agents in the field of the S. E. T. A., and such a compromise would be accepted as a permanency in lieu of 15, 20 and 25 per cent. Since 1905 the writer has been in doubt as to whether or not contingent or graded commissions was the better, graded commissions being forced upon Board companies in other sections by non-Board companies. The Atlanta Home does business in only two States outside of the jurisdiction of the S. E. U. A., and is not in two States controlled by the S. E. U. A., and being a small company, refrains from being prominent for or against an increase of commissions. Any increase of expenses shocks us, like the announcement of the arrival of triplets, yet if we were doing business in Tennessee we would pay considerable more to agents than in Georgia, and if possible not let our Georgia agents know of our doings in Tennessee. Fifteen per cent. commissions, however, is what we prefer sticking to, and we wish for no change.

The Alabama Insurance Commissioner, Frank N. Julian, has **cancelled** the **license** of the **Guarantee Life** of Houston, Tex., to do business in Alabama, because of alleged violations of the law prohibiting discriminations and rebates. Any attempt to do further business in that State by the company will be prosecuted. The whole trouble arose over the selling by the company of board contracts after the Insurance Department had warned the company and its agents that such practices would not be tolerated, and would result in forfeiture of license. The license of the company, which was first issued in December, 1907, was renewed last February. The Attorney General of Alabama on June 28 rendered an opinion to the Insurance Department opposing the issuing of such forms of contract as being in conflict with the code. It is reported that the Guarantee Life may decide to test the commissioner's position by taking out a writ of mandamus.

The **commissions question,** which has been agitating **Southern fire insurance agents** in the jurisdiction of the South Eastern Underwriters' Association for some time, does not seem any nearer a settlement, as there is considerable dispute in the South as to the authority having power to make a change. In answer to a letter from L. W. Childrey, chairman of the committee of agents which was appointed to deal with the matter at the recent Atlantic City meeting, President Dan B. Harris, of the South Eastern Underwriters' Association, has stated that the Eastern Union is the body before whom the question should be placed. Secretary H. K. Miller, of the Eastern Union, has, however, writen to Mr. Childrey that the South Eastern Underwriters' Association has direct jurisdiction of the matter, and that the agents should apply to that association or to their specific companies.

From across the water comes news of what is believed to be an organized system of **insuring ships** and **scuttling them** for the insurance money involved. The London Board of Trade is probing these alleged abuses in connection with the recent loss of the British steamship Oxus off the coast of Spain. The accusations are made against companies and individuals insuring vessels in which they have no interest except their risks. "Ship speculators" heavily insure vessels that are unsound because of age or that go on perilous voyages or are badly managed. The underwriters' committee has refused to discontinue accepting risks from the speculators. Ship owners themselves are responsible for the investigation of conditions, as they fear alike for their lives and reputations.

The incorporation of an agency by bonding and casualty agents in Columbus, Ohio, **to invade the fire insurance field** in retaliation for the inroads that the fire insurance agents have made on the casualty business is a step which is calculated to stir up agency matters in the Western city considerably. The incorporated agency is to have a capital of about $25,000, and five of the largest non-Union companies in the business are said to have already promised their representation to the agency. The casualty men are quoted as saying that they are not anxious to enter the fire insurance field, but are driven to it by the inroads that the fire insurance men have made on their business. Whether the plan will ever be put into operation "remains to be seen." It sounds well, however.

Lost, strayed or stolen are **two fire insurance companies** which operated in **Oklahoma** before it became a State and then disappeared. At least that's what Insurance Commissioner McComb says. He has had numerous inquiries for the location of the headquarters of the Western Fire and Marine and the New State Fire, formerly of Oklahoma City, but cannot discover them anywhere. Should anyone find the missing companies the commissioner undoubtedly would be willing to mete out to him the proper reward. The commissioner is responsible for the statement that a number of companies doing business on the underground method evidently have a stock of policies of these companies and are using them to advantage.

The fact that the **North British and Mercantile** had been anxious to enter the **general marine business** regularly since 1901, when its charter was amended for this purpose, is disclosed by the report of the chairman of the board of directors in his annual report to the shareholders. The recent absorption of the Ocean Marine by the North British was responsible for the expression of the above sentiments. The statement is made that following out these ideas the company thought that the opportunity of obtaining on favorable terms an old established marine business, which could be readily developed, should not be passed by.

A new **policy for under average risks** has been issued by the New England Mutual Life, which contains the following clause, which may prove of interest:

If the insured shall be living at 12 o'clock noon on.....19.. this policy shall cease and determine, and if all premiums as stipulated above have been paid, the company will pay to the insured or his assigns the sum of $..... and the then cash value of any dividends or additions standing to the credit of this policy, and less any indebtedness as aforesaid; but within one year from said date this policy, if then in full force, may be exchanged without cost for an ordinary life policy of the same date and for the same age, amount and premium, provided the insured shall pass a medical examination satisfactory to the company.

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The presidency of the **$200,000 Club** of the **New York Life,** an honor which is coveted perhaps more than anything else among New York Life agents, has fallen to Samuel L. Joseph, of New York, who in a year of unsettled financial conditions wrote $702,000 in paid business after ten years of service in the company, every year of which time he was a member of the $200,000 Club. He has written $2,830,000 of business in his connection with the company, truly a marvelous record. The club year closes on the first of each July, so Mr. Joseph is the champion for 1908.

Announcement has been made by the **Washington Life** that it will establish **lower premium rates,** beginning September 1. The company will also issue a new five year term non-renewable policy at the lowest rate. This policy may be exchanged for any other form of contract issued by the company at the attained age without medical examination. The reduction of rates for the standard policies with the present guarantees at age thirty-five is as follows: Ordinary life, old rate, $22.89; new rate, $21.90. Twenty year endowment, old rate, $44.62; new rate, $43.13.

At the gathering of field managers of the **Prudential** in the ordinary department, at Newark this week, announcement was made that the company would issue very shortly **a new policy** having some features which are calculated to appeal strongly to the public. The conference was attended by 135 agents. Addresses were made by John F. Dryden, president; Dr. Leslie D. W. Ward, vice president; Jacob E. Ward, third vice president; E. Gray, secretary; George D. Speer, supervisor of ordinary agencies; J. H. Huntington, supervisor, and others.

The **Hartford Life** has issued a twenty payment life guaranteed premium reduction policy. It is the same as regular twenty payment life, except that it is guaranteed in the contract that the premiums from the sixth to the tenth year, inclusive, shall be reduced by 10 per cent. of the initial premiums. From the eleventh to the fifteenth year the reduction is 20 per cent., and from the sixteenth to the twentieth year the reduction is 30 per cent. At thirty-five years old the initial premium on a $10,000 policy is $188.10.

Promotion is in store for **Second Vice President J. W. Skinner,** of the Northwestern Mutual Life, who recently celebrated his seventieth birthday, and who has served forty-two years with the company. The committee on nomination of the board of trustees has decided to recommend that he be advanced to the vice presidency, and that the present third vice president, P. R. Sanborn, be made second vice president. The promotions in both cases are well merited.

The **Great Western Life** of Kansas City will be handed back to its stockholders from the **receivership,** provided there is no opposition from the Missouri Insurance Department. Judge Smith McPherson, of the United States Circuit Court, has rejected the bids of the Kansas City Life and Philadelphia Life, and accepted an offer from the reorganization committee of the Great Western to raise sufficient money to meet all outstanding obligations.

Another **"night rider"** suit has been brought against the insurance companies by W. T. Tandy, of Hopkinsville, Ky., who is suing the City of New York, Glens Falls, Williamsburgh City and Rochester German insurance companies to recover $5,000 under policies on his tobacco warehouses. The property was set on fire by "night riders" on December 7, and the companies refused payment under the riot clause of the standard form.

The divorce of the duties of the State Treasurer and those of the **Insurance Commissioner** by the separation of the two offices is contemplated in a movement being made to change the status of affairs at the forthcoming session of the **Tennessee** Legislature. Under the new law the duties of the fire marshal are imposed on the Insurance Department, and the claim is made that there is enough work for the Insurance Department alone.

The **Equitable Industrial insurance company** is a concern doing business at Charleston, S. C., which has a charter, but no license from the State. Being required by Insurance Commissioner McMaster to comply with the law, the manager, one Ridgeway, begged for time. The commissioner waited and demanded again and received a plea for more time. "Time's up," said the commissioner, and he has proceeded to shut up Ridgeway.

Philadelphia fire insurance premiums collected in the first half of 1908, according to the reports of the companies to the Philadelphia Fire Insurance Patrol, aggregated $2,886,679. The Fire Association heads the list with $100,016. The Liverpool and London and Globe follows with $81,030; National Fire of Hartford with $78,282; Insurance Company of North America with $75,889; Royal with $74,859.

The lecturer on fire insurance in the **insurance course** to be offered this year **at Harvard University** will be William B. Medlicott, of Boston, general agent of the Atlas of London. The course will embrace lectures, laboratory and field work, and will also include instruction in fire protection. Actuary H. B. Dow, of the New England Mutual Life of Boston, will have charge of the life insnrance course.

The **Brooklyn fire insurance premiums** in the first six months of 1908, as reported to the Fire Insurance Salvage Corps, were $2,394,242, as against $2,631,325 in the first half of 1907, a considerable falling off. The leading companies were the Liverpool and London and Globe, $120,624; German American, $109,402; Phenix of Brooklyn, $108,875.

A merry contest is on in the **State of Washington** for the position of **Insurance Commissioner,** an office made by the last Legislature, which divorces these duties from the office of the Secretary of State. Sam H. Nichols is the present commissioner. Mr. Bullock, of Spokane, is a strong candidate for the position.

Nearly 200 fire chiefs attended the opening session of the convention of the **International Association of Fire Chiefs** on Tuesday at the Board of Trade, Columbus, Ohio. C. H. Perry, president of the Board of Trade, and Mayor Bond made welcoming addresses.

A Missouri charter has been issued to the **International Life of St. Louis,** which has a capital stock of $250,000, all of which has been subscribed and 40 per cent. of which has been paid up. With one exception all the incorporators are residents of Missouri.

The **Lumber insurance company** and the **Adirondack Fire,** both of New York, have been admitted to Texas. State agents have been appointed in the persons of Craig C. Belk, of Houston, for the Lumber, and McClure Kelly, of Houston, for the Adirondack.

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A daily edition of **Northwest Insurance,** of St. Paul, was published during the annual meeting of the National Association of Local Fire Insurance Agents. It was well filled with reading matter interesting to the delegates.

Joke.—Insurance Agent—Tommy, is your mother in the Prudential?

Tommy—No, sir, she's in the kitchen washing the baby.

Personal.

AGENCY APPOINTMENTS.

Ætna Indemnity of Hartford: George A. Mabbott, of Aberdeen, S. Dak., general agent in South Dakota for the accident and life departments.

Boston Insurance Company: Smith & Cochran, of Dallas, Tex., general agents for Arkansas, Louisiana and Texas.

Federal Union of Chicago: Rollo-Webster & Co., Chicago agents.

Fireman's Fund of San Francisco: John J. McKay, assistant manager of the Southeastern department.

German Commercial Accident of Philadelphia: L. Winkler, special agent for Michigan; Retten Insurance Agency, agents for Harrisburg, Pa.

Insurance Company of North America: Thames & Batre, Mobile, general agents for Alabama, beginning November 1; also special agents for remainder of Gulf Coast except New Orleans and Galveston.

Philadelphia Casualty: White, Darling, Baker Company, agents for Minneapolis and Hennepin County, Minn.

Royal: Edward H. Brown, special agent in Missouri; R. C. Alexander, special agent in Kansas.

Mr. Charles H. Barry, manager of the Pennsylvania Fire, has appointed H. F. Benedict special agent and adjuster for his company in the Colorado and Wyoming field, to succeed H. L. Simpson, who resigned to join the Royal Exchange. Mr. Benedict has been special agent for the Western Association and British American in Kansas and Nebraska under Manager Loomey for fifteen years. He will take charge of his new department September 1.

Mr. Charles G. Taylor, who has been connected with the Virginia Insurance Department, and has recently been appointed assistant examiner of the New York Insurance Department, has been elected secretary and actuary of the South Atlantic Life of Richmond, Va.

Mr. F. N. Everett, late of the Provident Savings Life at the home office, who has been connected with New Jersey State Manager A. H. Gseller, of the National Life of Vermont at Newark, has joined the home office staff of the Prudential.

Mr. C. A. Irwin, recently connected with the General Accident of Perth, has accepted the position of chief assistant to Nelson D. Sterling, manager of the personal accident and health department of the Ætna Indemnity of Hartford.

Mr. W. E. Vandeventer, Illinois State agent of the Ætna, has been appointed chairman of the special committee of the Illinois State Board to deal with the insurance department on all subjects of mutual interest.

Mr. Edward Brundige, manager of the accident department of the Ætna Life in Los Angeles for three years, has resigned to become manager of the accident department of the Occidental Life of that city.

Mr. Thomas Johnson, agent of the Washington Fire at Cle Elum, Wash., was shot and killed by his own weapon in an altercation with a client over the collection of an account.

Casualty and Surety Insurance.

Unusual accidents of the week are as follows: While engaged in a friendly tussle with a friend, a Pennsylvania miner received a kick in the back which will cripple him for life; kicked in the head by a horse, a Philadelphia man is dying from a fractured skull; while swimming in the ocean off Sea Isle City, N. J., a man had part of his leg snapped off by a shark; an eighteen months old child caught her hand in the fence around a hog pen and before she was rescued it was badly chewed by a hog; struck in the eye by a hot cinder while riding in a railroad train with the window open, a Delaware lawyer was so badly hurt as to render an operation necessary to remove the particle; although thrown 40 feet by a fast Pennsylvania express train, a young matron cleared all the tracks and merely suffered a broken arm; while delivering milk to his customers, a milkman had occasion to push a stray wire out of the way and was almost electrocuted by the heavy current running through the wire; a young apprentice at a naval station near San Francisco was hung by the neck during a hazing spree and when cut down was so badly hurt as to jeopardize the sight of his eyes; a ten year old boy emulating the Wild West tactics he had read about, ran down and killed an old man while speeding up a grocery wagon; a fierce baboon while being dressed for its act at a vaudeville house bit its trainer in the head and hand; a Pennsylvania man who had been deaf for years had his hearing restored by a flash of lightning; in attempting to escape over the walls of the Eastern Penitentiary, a convict slipped and broke his leg; while bathing in the breakers, a Philadelphia insurance man was hurled to the beach by a giant wave and his knee fractured; while standing at the bat, an amateur baseball player of Staten Island was struck on the head by a pitched ball and died from his injuries twenty-four hours later; while sharpening a carving knife at dinner, a young Massachusetts doctor nearly cut off the top of his thumb; overtaken on a trestle by a train, a woman slipped between the ties and had her skull fractured, being instantly killed; attempting to emulate a circus performer who swallowed tacks and nails, a Springfield, Mass., man swallowed some tacks on a bet and had to be cut open to save his life; in attempting to swallow a peach and at the same time call his wares, a New York newsboy nearly strangled when the pit caught in his throat; in trying to avoid driving a fire engine into a Long Island Railroad train, the driver pulled his horses to the sidewalk and killed a man; while playing around an iron railing, an eight year old boy fell and broke his ankle; a balloonist had his arm broken when a sudden gust of wind caused him to descend with a rush; a thirteen year old boy was blinded by the explosion of a bottle of lime which he had corked after pouring in water; diving into shallow water, a youth struck his head so hard as to drive part of his spine into his skull, causing paralysis; while passing in the street a crowd of hoodlums who were fighting, a man received a bullet wound in the side of his head, evidently from a stray bullet; drowned by falling through an open trestle as he went fishing, the body of a bridegroom of two weeks was not found for several days; while sleeping in the open air camp where he was spending his vacation, a man was bitten in the head by a snake; stricken with an epileptic fit while running an elevator, a New York man fell six stories and was killed.

What constitutes the "burning of a building" in an accident policy was recently passed upon by the New York Supreme Court in a case in which the Preferred Accident issued a policy to James J. Houlihan in which his sister, Mrs. J. B. Manning, was named as the beneficiary. She died as a result of fire in her room, surviving only two days after the accident. The company declined settlement and the motion of the defendant prevailed in the action in the lower court, for a direction of a verdict in its favor on the ground that the plaintiff had failed to prove that there was "a burning of the building." The case was carried up by Houlihan, and the Appellate Division has decided in his favor, claiming that any ambiguous language in the policy must be construed in favor of the assured. As the court points out, the evidence establishes the fact that the bed clothes and mattresses of the bed upon which Mrs. Manning slept were burned; that her night clothes hanging in the room were burned; that the door was blistered; that the matting and rugs were covered with soot and water; that the room was filled with smoke; that the fire therein was seen from the basement; that it required a number of pitchers of water to put out the flames, and as a result two days thereafter Mrs. Manning died. The court says:

What this policy means is the insurance against accident caused by fire on a building. The room was on fire; its various articles were on fire in the room, and the room was in a building. It cannot be that a building must be entirely burned down in order to enable an insured to recover. It must be that what was attempted to be guarded against was injury to the insured resulting from fire while in a building. * * If walking 70 rods upon the sidewalk of a village street is to be construed as traveling in a public conveyance for the transportation of passengers, it would seem to follow that a death caused by the burning of the contents of a room in a

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building may fairly be construed to be caused by the burning of a building. Death by accidental fire in a building was the crucial test of the defendant's liability, not whether more or less the building itself was actually consumed.

The **Lloyds of London** has butted into the liability field, as well as the fidelity and burglary. Only a few days ago a case came to the notice of this paper where these underwriters captured the liability business of a line of passenger excursion boats operating in New England. This business had been held by a well known foreign company for nearly ten years, and had been uniformly profitable at a rate approximating 1½ per cent., although this class of business is generally considered extra hazardous. Lloyds had held the marine business of the excursion line for some time, and only this year offered at 1 per cent. or thereabouts to assume the fire, marine, collision and liability hazard under a blanket form, which was acceptable to the excursion line. How Lloyds could afford to assume such hazards at such a low cost is naturally a problem, but the excursion company agreed and the policy was issued. The company which lost the liability business on the boats took the matter philosophically enough, to be sure, saying that their good luck on the risk was apt to turn soon anyway. Nevertheless the New England agent who lost his commissions is not saying very flattering things about unauthorized companies and insurance department supervision which makes such outside writing possible.

The three day **convention of agents** of the **General Accident** of Perth, which ended last Saturday in Philadelphia, was a great success. The Continental Hotel was the headquarters, and it was announced that about 100 agents had qualified in the contest which had the convention as its goal. The banquet was served on Friday evening, with 130 present. There were speeches by a number of well known insurance men, among the number being the following: C. H. Boyer, Franklin J. Moore, Dr. C. H. Harbaugh, all of Philadelphia; G. H. Steelman, of Atlantic City; W. P. Buzzard, of Louisville, Ky.; William R. Thorp, of Columbus, Ohio; D. W. Hakes, R. R. Koch, J. B. Boyer, T. W. Leonard, of Brooklyn; J. J. Krist, of Chester; A. W. Crossett, of Concord, N. H.; S. W. Simmons, of Baton Rouge, La.; A. W. Hines, M. F. Werkheiser, Mrs. G. H. Steelman and Mrs. William R. Sanders.

The agents of the **Continental Casualty** of Chicago have been offered $5,000 in prizes for results obtained in a contest which began August 20 and will continue till January 1 next. The money will be equally divided among five departments. A special prize of $100 each has been personally offered by President Alexander to the five agents showing the greatest efficiency during the year. Not only the amount of business produced will count in awarding the prizes but also increase over former production, character of business written and its permanency. Claim experience and promptness in reports and remittances will also be considered. The contest is intended to show the agents' appreciation of the president, who has served seven years in that capacity, and was recently signally honored by the International Association of Accident Underwriters by being chosen for the third time to head that body.

Beginning October 1 the United States Fidelity and Guaranty of Baltimore proposes to start writing **renewal certificates** instead of issuing new **bank burglary policies** to cover those issued on the term plan that have one or two years to run. Regarding this change of practice the company says:

Policy writing agents will welcome the adoption of renewal certificates as under present conditions many are compelled to write policies and daily reports in long hand. This requires time and entails much inconvenience, especially to those having many renewals each month. Agents will continue to write new policies. All renewal certificates, however, will be written at the home office, and forwarded to policy writing agents for their signature. Therefore do not renew any of October bank expirations, for the home office about September 1 will forward renewal certificates for attachment to policies. The certificate will simply show on its face the continuance of the agreement in policy originally issued, of which it is merely a renewal.

A well known **insurance man** of Cincinnati, Edward C. Harding, who had an agency for all lines of insurance, has disappeared, leaving an alleged **shortage** in his accounts believed to be over $8,000. Among the creditors are the Pelican insurance company for $750 and the Westchester Fire for $2,393.89. Several other insurance companies which he represented claim that he owes them smaller amounts. Probably the greatest sufferer is the Milford Home Building Company, of which Harding was secretary, and which stands to lose at least $2,000, probably more. His alleged defalcations are believed to have gone on systematically for some years.

The **new** "Perfection" **accident policy** of the Continental Casualty of Chicago pays the principal sum for the loss of either hand or either foot, while the period for payments for total disability is extended to five years. The double indemnity feature is also extended to cover automobile accidents. This novel clause reads as follows:

The company will pay double the indemnity otherwise payable under this policy for loss of life if the injury causing it is sustained by the insured while riding as a passenger in any automobile, or while operating the same otherwise than for hire, and provided in either instance the automobile is not being used in any race or speed test, or in violation of law.

The new accident and health policy of the **New Amsterdam Casualty** of New York has been placed on the market, and shows several features that have never before appeared in contracts of this kind. It pays for total disability from insanity and paralysis, and makes every child of the assured a beneficiary in addition to the beneficiary named in the policy. The accumulation features appear as usual. The contract is named the "New York Disability Policy," and will be written only in the Greater City. The accident and health features may be written separately if desired.

Officers of the **Imperial Accident** of Chicago will be elected at a meeting to be held September 12. The new company will have a capital of $300,000 to begin business with the first of next year, and half of this amount is already paid in. The surplus will be $50,000. The assessment company of the same name will be merged with the stock company now being organized. D. P. Rogers, who is conducting the affairs of the new concern, is also manager of the assessment company.

The **Columbian National Life** of Boston has secured the services of Ralph Marden, formerly connected with the Great Eastern Casualty, as supervisor of the accident and health department, under Manager Sidney N. Moon. His activities will be devoted to field work connected with the accident and health department.

The **German Commercial Accident** of Philadelphia expects shortly to enter the States of Iowa, Texas, Oklahoma and New Jersey. The company is presenting its policyholders with attractive souvenirs in the shape of bill folders or tobacco pouches, as the cases may be.

The fidelity, bonding and plate glass **business of the Ætna Indemnity in Massachusetts,** from which State the Connecticut company has recently withdrawn, has been **reinsured** with the American Bonding of Baltimore.

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NATIONAL CONVENTION OF INSURANCE COMMISSIONERS.

Thirty-ninth Annual Session at Detroit This Week.

(*Special Report.*)

DETROIT, August 27.—The thirty-ninth annual session of the National Convention of Insurance Commissioners opened at the Hotel Pontchartrain, in this city, on Tuesday, at 10:45 o'clock a. m., with President Reau E. Folk, Insurance Commissioner of Tennessee, in the chair.

After a few appropriate words of congratulation on the large attendance at the convention by the president, he introduced ex-Mayor W. C. Maybury, on behalf of Governor Warner, of Michigan, to welcome the delegates to the State. Mr. Maybury sketched the growth of Detroit from the days of the Indians to its present splendid development, and eulogized its scenic surroundings and social attractions. He gave the visitors a hearty welcome as the representative not only of Detroit, but of the "good old State of Michigan" as well.

He was followed by Colonel William Barlow, corporation counsel of Detroit, who appeared in place of Mayor Thompson and praised the good work that had been done by the insurance commissioners, particularly in reference to standard forms of policy, which had lessened litigation, as his own law practice had amply demonstrated.

Mr. Hartigan, of Minnesota, responded to these welcomes for the commissioners.

PRESIDENT FOLK'S ADDRESS.

President Folk addressed the convention as follows:

We have gathered here from the different Commonwealths of the Union, each bearing a commission of high and sacred trust from his constituents. We have come for the purpose of considering questions of vital moment to the people of our several jurisdictions, questions involving the proper supervision and regulation of the great business of insurance, which in its various branches has become so closely interwoven with our commercial fabric and our social and economic life. The insurance interests supervised by the members of this convention aggregate in assets several billions of dollars, and collect annually hundreds of millions of dollars. When it is remembered that those who are making these contributions, those who have paid in this vast aggregate amount of money are relying upon the members of this association for watch-care to the end that companies are able to, and do, carry out their contracts in good faith, the extent of the responsibilities resting upon us may be realized, and the gravity of our guardianship may be appreciated. It is not

OUR MISSION

to harass insurance companies; on the contrary to uphold those who treat policyholders with justness and fairness, but to lay the heavy hand of official disapprobation upon any company unworthy of the public faith, or upon the action of any company unfair to the public. It is not our mission to injure or destroy, but to look to the upbuilding and elevation of the insurance system along lines of more perfect protection to policyholders, co-operating to this end with leaders of sound insurance thought wherever they may be found. Insurance supervision not only protects the public from bad companies, but also protects worthy companies from bad ones, for without supervision the average citizen could not tell the good from the bad. The companies which are best managed, the companies which treat policyholders with the greatest amount of consideration, manifest the least objection to rigid supervision and give the minimum amount of care to the supervising officers.

It is my purpose in this address to treat in general terms of the subject of insurance supervision from a basic standpoint, if you please. I am probably threshing over old straw when I say I am in favor of State supervision as against national supervision. All of us have heard much in the past few years on the subject of national supervision. But its advocates have encountered a serious barrier. It could only be accomplished by an amendment to the Federal Constitution. That insurance is not commerce has been maintained by a long line of decisions of the Supreme Court of the United States, beginning with the opinion in the famous case of Paul v. the State of Virginia, forty years ago. Insurance is, therefore, as the constitution now stands,

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under the commerce clause of that instrument. It has been the policy of the States of this republic to cede to the Federal Government such of their powers as are impracticable for the States themselves to exercise. Among the reserved rights in the States is that of regulation and control of corporations in the exercise of any functions apart from interstate commerce. For the States to confer upon the Federal Government the power of control of insurance companies would be a long step toward centralization, which would be viewed by many with alarm, and it is hardly likely in the present state of the public mind such a movement would receive widespread favor. But even with the constitutional barriers removed, the supplanting of State supervision by national supervision would justly arouse grave apprehensions as to wisdom and sound public policy. I believe the public has more of a guarantee of protection when forty or more supervisory eyes are upon the insurance system than if only one supervisory eye were upon it. I believe the policyholder with a grievance has better opportunity for redress when he has an officer of his State convenient of access than if he could only take his troubles to an official at the nation's capital. State supervision may have its faults, but with all its faults it has been distinctly successful, and each year finds it upon a higher plane of efficiency. Whatever good could be accomplished by national supervision can be accomplished through this convention—that is, through this convention, on such matters as may be deemed proper, the States can be brought to act in concert.

Under the existing status it is entirely within the sound discretion of each State through its legislature to determine what qualifications an insurance company must possess before doing business with its citizens. The States for the most part have wisely exercised that power, and have generally met with sound legislation all the crises in insurance development.

STATE SUPERVISION A PRODUCT OF EVOLUTION.

State supervision as it exists today cannot be said to have been devised. It is more a product of evolution. With experience has come at various times the crystallization of public sentiment into statutes designed to perfect the purpose of supervision. Insurance supervision essentially partakes of the paternal function on the part of the State. Because of the peculiar nature of the business no other policy will suffice. An insurance contract is a delicate contract. It is a promise to pay conditioned upon the happening of some event, and unless there be sufficient funds behind this promise to pay to guarantee its fulfillment when by death or disaster it is suddenly brought to maturity, it may be of no value except as an attractive piece of paper. It is not practicable for the average citizen to know the financial responsibility of the company that seeks his business. Its head office may be hundreds or thousands of miles away. Sound public policy, therefore, demands that each State should exercise that watch-care for her citizens at large which it is practically impossible for the average citizen to exercise for himself.

The State sets up standards calculated to promote safety and solvency and fair dealing, and designates an official whose duty it is to require every company before it receives license to exercise the privilege of seeking contracts with its citizens to measure up to these standards and to maintain these standards on penalty of withdrawal of license. Of necessity this official is clothed with large discretionary powers in carrying into effect the purposes of the supervisory laws. This is especially so in the matter of the form of reports to be required from each company as well as in the matter of examinations. The laws of all of our States require annual reports from all companies, and practically all of the States leave it to the judgment of the supervising official to designate the form of these reports so as to elicit the fullest information. It is manifestly desirable that there should be uniformity in the reports required by the different States, else there would be much confusion. It is also manifest that in the counsel of a large number of students of the same subject each will be benefited by the

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wisdom of the others. Hence came about the inauguration of this association thirty-eight years ago, the uniform blank being the central idea upon which the association was formed, and this, as much as anything else, has held it together all of these years as the only real and effective organization of State officials that has been kept alive.

It is a far cry from 1871—the year of our first convention—to 1908. Far in point of time, but further still in point of development in insurance and in insurance supervision. In 1871 insurance supervision was young. A dozen years before, Massachusetts, under the leadership of Elizur Wright, had adopted the first code of insurance supervision laws. These laws, while appearing to-day in many respects inadequate, were predicated on the sound principles underlying insurance supervision to-day. At that time a few other States had partially followed the lead of Massachusetts, but for the most part the States had little law on the subject of insurance regulation, and what existed was of small value. Many States at that time had no insurance departments. To-day no State in the Union is without an official, charged in whole or in part with the duty of insurance supervision. In place of the crude laws on the statute books of our States in 1871 there are in most of the States statutes creating high standards for the protection of the public and policyholders—standards founded upon principles scientifically deduced from experience.

The first underlying purpose of supervision was the ascertainment of solvency, the notion being that the policyholder and the company could wrestle out any differences if the company should be good for a judicial judgment. But under the evolution of our laws it has become just as much a duty for the insurance commissioner to protect the public from impositions by a solvent company as to protect it from the fraudulent operations of an insolvent one. In laws recently enacted in some of our States on the subject of life insurance, this idea is especially emphasized. As I stated a moment ago, the central idea upon which this association was founded is that of adopting

UNIFORM BLANKS

in accordance with which companies are required to make their annual financial reports. We gather in this convention, each of us having discretionary power from his State as to the form in which he shall require the companies doing business in his State to report, each of us desiring that these reports shall give the fullest information as to the financial working of each of the companies reporting, and by the exercise of our combined wisdom evolve the convention blanks, one for each character of insurance. Any commissioner, of course, could require reports on different forms, or add to or take from the forms adopted. This convention has no power or disposition to bind any member on any matter relating to the performance of his duties to his constituents. But I think it would be difficult to get any more information than is called for in these convention blanks. They turn a company inside out. Each year new thoughts find their way into the blanks, and better ways of getting at the same things are developed.

But there are other highly important functions of this convention of commissioners. Hardly of less importance than the adoption of the uniform blank is the discussion and consideration of the various problems in insurance supervision which are constantly arising. Such discussions cannot fail to be helpful to every member. It never fails to be a consolation to me to find a commissioner who has had the same troubles as myself, and it always transpires that I find myself benefited by hearing him tell of the way in which he handled his troubles. I never leave one of these conventions without feeling that I am a better commissioner than before I came. There is another exceedingly high function of this convention as well as of each commissioner composing it. That function bears upon the subject of

NEW LEGISLATION

in the various branches of insurance to carry more perfectly into effect the protective purpose underlying all of our statutes. The insurance commissioner, if he measures up to the full responsibility of his trust, should not only protect his people from unworthy companies, not only enforce without partiality, and without fear, laws already on the statute books, but he should utilize the opportunities afforded him for the study of the great question of insurance, and give to the legislature of his State the full benefit of his judgment as to what legislation may be needed to meet conditions and give more perfect protection to the public. It is also his duty to advise against legislation that may be hurtful. This function is expected of any official, but especially of an insurance commissioner, for the insurance question, in many particulars, is a technical one, and comparatively few legislators are trained in its knowledge. Lawmakers may not always adopt recommendations. The fault may be with the commissioner in not making his recommendations clear, or it may be the fault of legislative indifference, or the trouble may be with the insurance lobby drawn together by the centripetal force of a so-called "objectionable bill."

The insurance commissioners, or many of them, have been especially conspicuous in the last few years in the performance of this function toward new legislation. I believe the service rendered to the public in the measures known as

THE COMMITTEE OF FIFTEEN BILL

to be immeasurable. At the time the discussion was taken up leading to the adoption of these measures the public was righteously enraged at the revelations of improper diversion of funds on the part of some life companies. In this state of mind if the public had been left to apply the remedy, each State acting without concert with any other State, the result might have been vastly hurtful to the great and beneficent institution of life insurance and to its individual policyholders. It might have been as in the case of an ailing cow in Texas, to whose trouble an old darkey, known as the "cow doctor," was called to administer. When the next day he was asked how the cow fared, he replied: "Boss, she is well of the disease, but I b'lieve she's gwine ter die of the treatment." The insurance commissioners, though sharing the public indignation at the wrongdoing revealed, set to work to effect remedies without killing the cow. I believe these "Committee of Fifteen" bills, which, after mature consideration, all interested parties being given a fair opportunity to be heard, were adopted for recommendation to the legislatures of our various States, erect adequate safeguards against a recurrence of the impositions upon policyholders, and have the effect of placing the life insurance system on a higher level than ever before. These laws, or most of them, have been adopted already in a number of the States, and the remaining States should, and I believe will, adopt them when their legislatures convene.

For some years there has been a discussion by members of this convention, as well as by congresses of our fraternal societies, of the matter of a uniform law governing fraternal insurance. There are some States, including my own, which believe they now have satisfactory statutes on the subject of fraternal insurance, but in a great majority of States this question is still an open one. The fraternal insurance system of this country bears an important and vital relation to our civilization, to our social and economic life, and every effort by wise and patriotic men at its head to elevate it to a higher point of efficiency should receive the hearty co-operation and encouragement of insurance commissioners. I believe the time is now ripe when a uniform law can be agreed upon to be recommended to each State. So far as my State is concerned, the fraternal people there feel as I do, that we have largely solved the question so far as the present is concerned in the excellent law we have on our statute books in Tennessee. Practically the same law has been enacted in Ohio and Louisiana.

Among the topics upon the programme of this convention is that of the advisability of the adoption of a

SIMPLIFIED FORM OF FIRE INSURANCE POLICY.

The form of fire insurance policy generally in use in this country is what is known as the New York Standard form. Several States have by legislative enactment adopted a standard form, but in most cases following almost identically the New York Standard form. Massachusetts, which never follows anybody in the matter of insurance, has its own form. I believe all of these forms are entirely too long, and too unintelligible to the layman, and I believe a shorter and simpler form would result in more general satisfaction and benefit. If this convention should decide to take up this subject and select a committee to give consideration to it, that committee should invite the views of all parties interested, so that its recommendations may be reached after obtaining a most comprehensive knowledge and understanding of the subject. Among others, there should be a conference with the Credit Men's Association of this country, which has recently had this matter under discussion, as well as the Insurance Committee of the American Bar Association.

Other questions relating to fire insurance might well be considered.

Another matter on which it is possible that this convention may exercise its function toward new legislation is that of considering the advisability of standard provisions for health and accident policies, and we shall listen with much interest to the discussion of that topic when reached upon the program.

During the past year several important conferences of commissioners have been held to discuss and consider the matter of the valuation of securities. As a result of these conferences exceedingly valuable work has been done in the compilation of valuations by an expert. This work was completed too late to be of value to commissioners in passing upon this year's reports, but

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it has laid the foundation for work along this line hereafter, which can be placed in the hands of commissioners soon after the first of the year. This matter of the proper method of valuation of securities is an important one. There are no differences among us as to what we desire, but there may be differences as to how the result may be arrived at. But, in my judgment, whatever difference there may be as to the method to be employed as a test of solvency, I am very strongly of the opinion that life insurance companies operating upon the mutual plan should be required to make their settlements with policyholders on a more equitable basis than that of fluctuating market values.

There are other matters which I should like to touch upon, but a regard for your patience forbids that I allow this address to further enlarge. Let me say in conclusion that there is no official position which requires more courage, more devotion to duty, more determination, than the position of insurance commissioner. I believe the commissioners of the United States for the most part are meeting the requirements exacted of their positions, and the spirit found in these annual conventions is a potent factor in the stimulation to the highest ideals of duty and to the elevation of insurance supervision to a higher plane of efficiency.

On roll call the following representatives of State insurance departments responded as present:

Colorado—E. E. Rittenhouse, commissioner, and A. G. Hann, deputy commissioner.
Connecticut—T. H. McDonald, commissioner, and H. P. Hammond, actuary.
District of Columbia—Thomas E. Drake, superintendent.
Illinois—Frederick W. Potter, superintendent, and J. J. Brinkerhoff, deputy superintendent; O. B. Ryon, attorney.
Indiana—J. E. Billheimer, auditor, and C. W. McNeal, deputy auditor.
Kentucky—Charles W. Bell, commissioner, and C. B. Bullock, actuary.
Louisiana—Eugene J. McGivney, commissioner.
Maine—I. E. Lang, deputy commissioner.
Maryland—Benjamin F. Crouse, commissioner, and James E. Greene, deputy commissioner.
Massachusetts—F. H. Hardison, commissioner, and C. W. Fletcher, deputy commissioner.
Michigan—James V. Barry, commissioner, and M. O. Rowland, deputy commissioner.
Minnesota—J. A. Hartigan, commissioner, and C. M. Farnham, attorney.
Mississippi—T. M. Henry, commissioner.
Missouri—W. D. Vandiver, superintendent.
New Jersey—David O. Watkins, commissioner.
New York—Otto Kelsey, superintendent; H. D. Appleton, first deputy superintendent; N. B. Hadley, examiner, and J. H. Woodward, assistant actuary.
North Carolina—James R. Young, commissioner.
Ohio—Charles C. Lemert, superintendent, and S. E. Stillwell, actuary.
Oklahoma—T. H. McComb, commissioner.
Rhode Island—Charles C. Gray, commissioner.
South Carolina—F. H. McMaster, commissioner.
South Dakota—O. S. Basford, commissioner.
Tennessee—Reau E. Folk, commissioner.
Texas—Thomas B. Love, commissioner.
Virginia—Josephh Button, commissioner, and Charles G. Taylor, deputy commissioner.
West Virginia—J. W. Scherr, chief clerk.
Wisconsin—L. A. Anderson, actuary.

The following former heads of State insurance departments were also present: Henry R. Prewitt, of Kentucky; W. Q. Cole, of Mississippi; Christopher P. Ellerbe, of Missouri, and Arthur I. Vorys, of Ohio.

Among other persons connected with insurance who were in attendance were Messrs. Pierson, of the New York Life; Craig, of the Metropolitan Life; Faxon, of the Ætna Life; Bro Smith, of the Travelers; Lott, of the United States Casualty; Armstrong, of the Philadelphia Casualty; Alexander, of the Continental Casualty; W. F. Moore, of the New Amsterdam Casualty; Hillas, of the Fidelity and Casualty, and S. H. Wolfe, the actuary.

The representatives of the insurance press present were Messrs. McClellan, of Baltimore; Burr and Oliver, of Detroit; J. L. Bergstresse, of Pittsburgh; Oviatt, of Philadelphia; Crawford, of the *Western Underwriter*, and Barnaby and Jenney, of New York.

Mr. Appleton, of New York, offered the following resolution, which was adopted:

Resolved, That the president appoint a committee of six to prepare and present to this convention a memorial on the death of Frederick L. Cutting, an active member of this body for many years, its secretary for a portion of that period, and a former president.

The president appointed B. F. Crouse, of Maryland, chairman of the committee on laws and legislation in place of A. I. Vorys, of Ohio, retired.

At the afternoon session standing committees were announced, and the roll call was adopted as the report of the committee on credentials.

The chair appointed as a committee on the death of Frederick L. Cutting the following: Messrs. Appleton of New York, Hartigan of Minnesota, Barry of Michigan, Brinkerhoff of Illinois, Gray of Rhode Island, and McGivney of Louisiana.

MR. RITTENHOUSE ON THE AMERICAN BAR ASSOCIATION.

Mr. Rittenhouse, of Colorado, was granted the privilege of the floor to read a paper on the report on State supervision of insurance, which was made to the American Bar Association at its last annual meeting by its committee on insurance laws. Mr. Rittenhouse said in part:

I have here a copy of the report of the committee on insurance laws of the American Bar Association, presented at the annual meeting of that association last August, in which the insurance commissioners are harshly criticised.

I wish to comment briefly upon this report and upon another public utterance of the same kind, and to have my remarks recorded in the proceedings of this convention.

I do not rise especially to defend the commissioners against the adverse criticisms of these legal gentlemen, because the head of each department stands on his own feet; he is answerable to his own laws, his own people and his own conscience, and he is fully capable of defending himself if any defense is necessary.

My main purpose in discussing this report is to urge upon all those who hope for improvement in insurance legislation and in State supervision to play fair and avoid the mistake made by these and other well-meaning reformers who are constantly holding up to public scorn and contempt those upon whom they are calling for help, and upon whom they must depend to secure the reforms they advocate.

Much of this report is devoted to an effort to destroy what influence the commissioners may have with the public and with the members of the association to which the report was made. It starts out by saying that no injustice is intended, and then proceeds with studied effort to belittle the commissioners and their work.

It says that we have admitted that we are unable to accomplish the purpose for which the departments were organized, and the failure to stop wildcat companies from doing business through the mails is cited to prove it. It dangles us up before the public in a critical way because we have never given the standard fire policy law any consideration, and in the same breath says that the competent men among the commissioners are so hopelessly in the minority that it is absurd to commit the correction or initiation of legislation to them.

In order to make it clear that they do not approve of the commissioners, they add that "as a class, at one time or another, the commissioners have been the exponents or beneficiaries of the system under which commercial dishonesty has flourished to such an extent as to create a national disgrace." The remarks of one of their members published in 1905 are rehearsed, wherein he attacks the system and the commissioners, and refers to a "reputable insurance organ," which then asserted "that some of the larger insurance companies pay as much as $250,000 annually in blackmail to insurance examiners." In discussing the departments, such words as unblushing fraud, gross incompetency and dishonesty are quite conspicuous.

This effort to publicly discredit the commissioners was carried to the extent of listing several cases of dishonesty that have been found in the insurance departments under former administrations. These cases are recited and emphasized with ill-concealed relish. Not the slightest hint is offered that any improvement has occurred in State supervision or in the administration of the departments. * * *

Now, sir, I would like to ask what this committee, or any members of the Bar Association which it may represent, have ever actually done to correct bad insurance laws, or to secure the enactment of needed new ones. The Bar Association has, as I understand it, a local association in every State in the Union. In these associations are found men of prominence—men who are in public life and who wield great influence. Have they done anything to improve legislation that outshines the efforts of the commissioners?

There is but one lone commissioner in each State, while these lawyers are legion. What insurance law is on the statute books to-day proposed and fought through by them? Of course, they may influence public opinion by making speeches, writing essays, passing resolutions and so on, but I prefer to do actual work. What have they accomplished? For instance, this report refers to the present method of taxing insurance companies as a robbery, and, as usual, takes occasion to make another sly crack at the insurance commissioners.

Well, if they think this tax is such an outrage upon the poor

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policyholders, why have they not done something to have it removed? Why have they not used their powerful influence throughout this nation to lift this burden from the shoulders of the poor premium payer? As a matter of fact, the Bar Association is composed of busy men. It has other demands upon its influence and time, and does not regard it as a part of its duty to make this or any other real battle for better insurance laws. But where, then, do they get their license to attack those who have done something—to sit on the housetops and scream to the world the weaknesses and shortcoming of the commissioners and their predecessors, back to the year one? Insurance department officials appreciate fully the weaknesses of State supervision, and have done much, especially in the last ten years, to improve it, and every fair-minded insurance official is glad to admit it. The best insurance laws in the country to-day are on the statute books by virtue of the efforts of insurance department officials.

So far as I can see, the class of critics to whom I have referred have nothing for the dear public but advice and adverse criticism of those who are trying to effect real reform. If they wish to set themselves up as our censors let them do the job fairly and with justice. If they really want to help the commissioners, let them stop scolding and propose something in the way of tangible and effective co-operation. Let them not only recommend but help to push through to a successful issue the reforms which both they and the commissioners favor—the tax reform, for instance.

All men interested in sane insurance laws and supervision, especially insurance men, legislators, lawyers and commissioners, should get together upon this question. Those snarling attacks should be eliminated and a joint movement inaugurated for better things insurance-wise.

Somewhere there should be some one among these critics with the fairness to admit that State supervision has done much for insurance as an institution, and that the work of the State insurance departments is improving. Insurance company officials—who, by the way, seem to have little or no part in this radical style of criticism—recognize the steady improvement in administration of insurance departments, and these fretful faultfinders could well afford to do the same.

I do not know the gentlemen who signed this Bar Association report, but I am glad to say that I do know many of the insurance department officials of this country, and I believe them to be men of integrity and honesty of purpose, many of whom find their usefulness seriously hampered by incomplete laws, giving them little authority, and often limited funds wherewith to operate the departments. They are big enough and broad enough, however, to welcome just and fair criticism, but the ceaseless rat-tat-tat of the professional knocker sometimes get monotonous. How can these self-appointed public advisers expect to secure an improvement in insurance legislation and State supervision if they take every opportunity to charge the public mind with distrust and contempt for the officials and legislators from whom the reforms must come? We are perhaps presuming much to advise such wise men, but it seems to me that it would be a pious idea for this class of critics to keep in mind the words of the sage who said: "You cannot saw wood with a hammer."

A resolution to have Mr. Rittenhouse's paper incorporated in the proceedings of the convention led to an animated discussion.

Mr. Basford, of South Dakota, said that the paper was the expression of an individual and should not be adopted as the opinion of the convention. He should vote against the resolution and would prefer to refer the matter to a special committee for consideration.

Mr. McMaster, of South Carolina, advocated sending a copy of the paper direct to the secretary of the American Bar Association as an expression of the views of the members of the convention.

Mr. Young, of North Carolina, thought that such a course was undignified and calculated to place the convention in a wrong position.

The question on the adoption of the resolution was put, however, and it was carried.

The topic assigned by the programme for discussion this afternoon was "Should the Item of Accrued Taxes in Reports Be Treated as a Liability?"

Mr. Hartigan, of Minnesota, quoted several court decisions defining the meaning of the words "accrued" and "liabilities," and his own conclusions were expressed in the following statement:

Hence, a list of liabilities should contain the actual debts, the sums which a company will in all probability be called upon to pay, and the sums which it will pay from the receipts of the year. No company would contest a claim where the officers were confident that an actual debt existed, and yet companies are required to list under liabilities, in the annual statement, "claims for death losses and other policy claims resisted by the company." This disposes satisfactorily of the statement made by company officers that they cannot conscientiously swear to a statement in which accrued taxes are listed as a liability. A financial statement that ignores this liability does not show the exact condition of the company, and should not be accepted by insurance departments.

Mr. Gray, of Rhode Island, in discussing the subject at some length, said: "An obligation so fixed or ascertainable as a tax properly imposed, though payable on a day subsequent to the time when it accrues, should, in my opinion, be treated as a liability in the annual statements of insurance companies."

OPINION OF ROBERT LYNN COX ON ACCRUED TAXES.

Mr. Crouse, of Maryland, read a brief of nineteen printed pages, prepared by Robert Lynn Cox, attorney for the Association of Life Insurance Presidents, upon the question under discussion. The following were Mr. Cox's conclusions:

We have not attempted to go further in this discussion than to show by argument and by overwhelming authority that instead of the *presumption* being that life insurance companies have large outstanding liabilities as of December 31st of each year for taxes accrued or matured, but not paid, the presumption is to the contrary. We have urged that under the circumstances no department has a right to compel the insertion of any item as a legal liability that is not clearly such under the law as construed and declared by the courts.

It remains only for us to refer to a few arguments which have been advanced in opposition to the position we have taken herein.

It has been said that if taxes are not to be considered as liabilities, a company might retire at the end of a year and pay nothing for the privilege of having done business within the State for that year. Is it not plain that even this would work no injury if the company had previously paid in advance for that year? If losses to the State are to be avoided, which method would be regarded as affording greatest security, payment for license privileges wholly or partially in advance, which we contend has in fact been exacted generally if not universally, or the postponement of payment until after the end of the license period, which certain commissioners believe to have been the practice of most if not all States?

For the purpose of clearing our minds we might go back to enactment of the first tax law in each State. As the situation is similar in all States except as to date of enactment of tax laws, let us take for example the State of New York, which was one of the last to impose a tax pon the business of life insurance. Its statute went into effect October 1st, 1901. Prior to that time no tax had been imposed other than a registration or license fee, except retaliatory taxes. Under those conditions the companies held licenses which covered their right to do business up to the end of the license period, viz.: to December 31, 1901. To obtain such licenses they had complied with all the requirements which had been deemed necessary. Then as a new and further condition a tax was imposed. Would anyone say that at the end of 1901 the companies did not have a right to retire from the State without being charged with the dishonor of tax dodging? They had fulfilled the obligations under which they entered the State, and surely had the right to escape from new conditions which might have been regarded as unduly burdensome. The New York tax law was "an annual State tax for the privilege of exercising corporate franchises or for carrying on business in their corporate or organized capacity within this State equal to 1 per centum on the gross amount of premiums received during the preceding calendar year for business done in this State." (Chap. 494, Laws 1901.)

Will anyone assert that at the expiration of their licenses on December 31, 1901, the companies, which had been doing business in the State without being taxed, should charge themselves with a liability for taxes which, under the new law, were to be paid June 1, 1902, "equal to 1 per centum on the gross amount of premiums received during the preceding calendar year?"

If it be said that the New York law differed from others in that it imposed a franchise tax *equal* to a percentage of premium receipts, let us refer to the preceding citations of authority showing the distinction to be one of words and form and not one of reality.

If another illustration of the fallacy of charging taxes of the current year as a liability of the preceding year were needed, take

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the case of a State which enacted its first tax law in January and whose license year to insurance companies ended March 1 of that year, with the incidental requirement that annual reports should be filed on or before March first.

To claim that the tax imposed by that law on premiums collected during the preceding year as shown by its report was a liability of December 31 of the year preceding its enactment would be to make it a liability as of a date before the law was enacted, or perhaps was even under contemplation. Could anything be more absurd, to say nothing of the impossibility, for the Legislature to enact valid laws with such retroactive effect?

The tax laws of New York, as of other States, when first enacted looked to the future and not to the past, as the familiar rule of construction would have required the courts to construe them. And beginning in this way they have never changed with the lapse of years or the succession of administrative officers.

Finally, it should be said that there can be no equity in changing the practice as to reckoning the period covered by the payment of taxes, assuming it to be within the power of the States to make such a change. To require a company to pay taxes in a given year, and then to charge as a liability of the same year similar taxes to be paid the following year, is to double the tax for that year with its incidental embarrassment to companies which can ill afford additional burdens. While such a change might be regarded as affording temporary advantage to the larger and stronger companies, which would not be affected thereby, because of the injury it would inflict upon their smaller and weaker competitors, fair play demands that no such blow shall be struck.

That taxation must in the last analysis fall upon the policyholder no person familiar with the business can seriously doubt. That policyholders as such are now paying more than their full share of governmental expense is a fact concerning which most of us are firmly convinced.

Let us then proceed cautiously along any line that bids fair to lower dividends or other returns to the policyholder, or that may directly or indirectly add to his self-assumed burden of protecting his family against future want or penury.

Mr. Button, of Virginia, after discussing the elements of moral and legal liability involved in this question, gave the following as the practice of his department:

Considerable difficulty has been experienced by the companies in calculating accurately this liability at the end of the year, due to the fact that taxes are paid in various States on different bases and at different times, and it necessitates the calculation of the premium income in different States for broken periods of a year. Our department has found that a percentage of the premium income can be found which will represent the liability at the close of the year with sufficient accuracy for all practical purposes. It does not seem to be necessary to hold back the report until this item can be calculated to the last cent, but, by determining this liability for the year previous, finding the percentage which that amount bore to the premiums of that year, and by taking that percentage of the net premium income for the year covered by the statement, a very close figure may be obtained. I believe this would be a satisfactory adjustment of the question both to the departments and to the companies.

Mr. Kelsey, of New York, said that his department would not put the item of accrued taxes in the annual statement blank.

Mr. Fletcher, of Massachusetts, explained that the item of accrued taxes was in the Massachusetts blank as early as 1870, and companies doing business with his department reported taxes due and accrued. If that item were cut out of liabilities, accrued interest should be cut out of assets.

Mr. Rowland, of Michigan, thought that the matter should be treated from a common-sense point of view. It affected the surplus, which was the test of the company's ability to carry out its contracts.

Mr. McDonald, of Connecticut, read a letter from President Taylor of the Connecticut Mutual Life insurance company, who had claimed that it was not within the letter nor intent of the law to include such an item in the annual statement, and there was no occasion for charging it as a liability.

Mr. Hartigan, of Minnesota, then offered the following resolution:

Resolved, That it is not the sense of this convention that accrued taxes as of December 31 should be included in the annual statement of insurance companies when under the local statutes and the decisions of the law such action be practicable.

After a lively discussion a motion that the resolution lie over until to-morrow was adopted.

The second topic taken up was the "Amortization Plan of Valuing Fixed Term Securities and the Proper Method of Valuation of Other Securities."

MR. KELSEY ON THE VALUATION OF FIXED TERM SECURITIES.

Mr. Kelsey, of New York, spoke as follows:

As I understand the arrangement for discussion of practical topics at this annual convention, the purpose is to interest members in giving expression to their views and experience in such form as will afford an opportunity for all to participate and thereby render the result satisfactory in presenting conditions and opinions from actual administrators throughout the various jurisdictions represented. I have, therefore, not prepared an exhaustive and formal address upon the question of valuing by amortization the fixed term securities held by insurance companies, but limit my remarks to a statement of the situation confronting the New York Insurance Department as included in its department report and to general suggestions upon the advantages and difficulties of either acting in the matter or letting it alone.

The custom of the New York and practically of all of the State insurance departments has heretofore been to appraise the value of securities carried as assets by insurance companies and reported in the annual financial statement, at the market price quotations for the 31st day of December in each year. In a few States such action is prescribed by law, but usually it has been so entered as being the most convenient and definite method of establishing a valuation to show approximately the condition of a company in a general estimate for the year where exactness was not essential. Companies and departments have assented to the practice, and under ordinary business conditions it has been sufficiently accurate. The

EXCEPTIONAL AND SENSATIONAL FLUCTUATIONS

in valuations of securities during the final months of the past year conclusively show that the rule of taking market prices on a specific date to determine the true value of securities held by a solvent corporation as a permanent investment for maturing policy contracts, is neither equitable nor accurate, and under such extraordinary conditions as then prevailed must be suspended or cause disaster to the very interests it was designed to protect. An adherence to the precedent would be unfair and inequitable to all companies, and might in particular cases be ruinous to the standing of companies as a bookkeeping proposition where the business of insurance is prosperous, the management competent and honest, and the investments of high character and ample for the purpose held, with no default in interest payments and no question of redemption of such securities in full at maturity.

Prior to the confusion of market values in October, 1907, the matter of how under New York statutes an appraisal of securities so carried by an insurance company should be made, whether on the market values of December 31 or by ascertaining the range of the market and the average of prices thus found running through a reasonable period of time, was submitted to the Attorney-General, and by an opinion under date of July 17, 1907, the department was advised by that officer that it is not prescribed in any statute of this State that the Superintendent of Insurance shall appraise the securities enumerated in a company's annual financial statement at the market value prevailing on any specified day; that in the absence of a statute prescribing a rule or system for auditing the annual statement such work becomes a purely administrative function, and it is within the judgment and reasonable discretion of the superintendent to determine the fair market value of securities.

This official opinion establishes the legality of an appraisal by the department by such methods as shall reasonably and with justice ascertain the actual value of a security as an asset to meet a definite liability, regardless of a quotation from the market prices of one specific day in the entire year or the wavering fluctuations of speculative values from day to day.

Such freedom of action has been exercised sparingly and temporarily by the New York superintendent in varying from the generally accepted standard of market prices upon a day certain, owing to the confusion which would follow in conflicting financial statements and reports. A system of uniform appraisals of the value of securities appears as necessary and desirable as is the present uniformity in annual statements filed by companies with insurance departments. It is to be hoped that by examination and discussion of this very important subject progress can be made toward some basis of agreement through which legislation

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where required and concert of action by departmental regulations may be obtained. A study of different

PHASES OF THE PROBLEM OF VALUING SECURITIES

leads to considerations suggesting a division of insurance company holdings into separate classes. The first class includes government, municipal and corporation bonds, individual loans secured by bond and mortgage on real estate, collateral loans, insurance policy loans and all other forms of securities bearing interest and falling due at a fixed date which are amply secured and not in default as to principal or interest. The second class includes corporate stocks, real estate and any other form of asset analogous thereto, in so far as return thereon is dependent upon circumstances of management and conversion of the asset is not provided for by contract. For this second class of assets a market valuation, however unstable from year to year, appears to be the the only available method.

For corporate bonds included in the first class, and especially when owned by life insurance companies, a plan understood by accountants and actuaries as the *amortization* method is demonstrated to be scientific in principle, tested by long experience, readily applied to all fixed term investments, free from the doubt or suspicion incident to the exercise of individual judgment, and equitable as between interests under one control but entitled to impartial participation in funds accumulated for distribution. The method is based upon the original purchase price of bonds valued by computing their present value under the actual rate of interest realized if the bonds are held to maturity.

The adjustment brings the bond exactly to its par value at maturity, whether bought at a premium or a discount, and whatever the contract rate of interest. While held the bond is unaffected by the inflation or collapse of market prices, and fulfills its purpose of producing a steady income until maturity and then supplying with certainty its proportion of principal to meet the obligations of the company for which its payment has been calculated.

The theory of a valuation upon a basis of market quotations is that instant liquidation of assets could be had, while it is a matter of common knowledge that quotations from a few sales or perhaps an insignificant quantity of bonds is no criterion whatever, and a throwing into the market of the immense holdings of any one of the larger New York companies would utterly destroy any conceivable purchasing power.

The liabilities of life insurance companies consist almost entirely of the present values of policy obligations issued by the companies. In New York the standard of valuation for contracts of insurance has been fixed by statute. Liabilities are calculated and determined on the assumption that a fixed rate of interest is to be earned on the assets held to offset these liabilities during the period of continuance of the contracts for which the liabilities are stated.

A life company having a line of long term investments earning ample rates of interest to provide for all charges against income, and unquestionably secure as to payment of interest as well as of principal at maturity in settlement of the company's obligations then falling due, should not be permitted through intervening years, upon violent alternations of market quotations and paper losses or profits, to deny an apportionment or payment of dividends to policyholders entitled thereto, on the ground that no surplus is shown in the total yearly valuation, when its actual earnings and fund are in this respect unaffected; nor to pay at other times to those not entitled thereto increased dividends derived from a fictitious surplus by similar manipulation. The

CLOSE OF THE YEAR 1907

disclosed a startling exhibit of depreciation in market values of securities. If dividends to policies had been calculated upon the December market basis the greatest injustice would have been inflicted upon policyholders whose contracts mature during the ensuing year. Notwithstanding a seeming disappearance of surplus, the companies possess in real values to effect their purposes unimpaired assets and sufficient revenues and surplus for substantially the amount of regular dividends, provided quotations from sales are disregarded and only actual business operations are taken into account.

For solvent life companies, and particularly those having a large aggregate of insurance in force, the conclusion appears irresistible that a method of amortization in valuing its fixed term security holdings would be scientific in principle, equitable in results, easily comprehended, a protection to the company and a guaranty to policyholders. Ordinary supervision would check a tendency toward the purchase and sale of securities for speculative purposes instead of the safe policy of long term investments made solely to mature obligations.

Possibly an appropriate manner of instituting a modified form of the amortization plan would be for departments having the power to require from life companies, in connection with financial statements showing their condition as of December 31, a full statement and analysis of such company's holdings of fixed term bonds under an amortized valuation, enabling the department to determine with precision the actual value of such bonds as assets, the income derived therefrom, the bookkeeping methods and factors used in ascertaining a surplus and apportioning and making payments of dividends therefrom, and such further information in connection with the subject matter as may be deemed proper in the duty of supervision.

Upon a special examination by a department into the affairs of a corporation to determine its solvency the market value of assets as of the date its condition is to be stated is indispensable, inasmuch as by that standard a complete liquidation upon a certain day is assumed, while the purpose of a regularly returned annual statement from a company is to exhibit its condition as a going concern, the detail of management and operations for the year, and its total of assets and liabilities, not for a forced liquidation, but as measuring its resources and surplus for the security of policyholders and information to the public of its business credit and standing.

The extent to which a plan of amortization in the appraisal of securities would prove applicable to various classes of insurance companies would be determined in practice. There are less obstacles and greater benefits suggested when long established and prosperous life companies are considered than are manifest in connection with the affairs of fire insurance and the many branches of casualty, credit and title insurance. If under all circumstances the rule of amortization were invariably applied to security assets, there would be occasions when corporations verging on insolvency in an examination might by this method appear to have a surplus, when at the date of verification upon a basis of values which could then be realized their condition would be shown to be such that proceedings should be instituted for a receivership. No inflexible statutory rule seems possible in all proceedings, and no precise limitation of the discretion and manner of its exercise by supervising authority can with our present experience be formulated. It is very doubtful whether statutory regulation of the details for an appraisal should be attempted until consistent efforts for a satisfactory solution of the problem by departments shall have failed. As an illustration of a legislative enactment authorizing the valuation of securities by the proposed method affecting domestic insurance corporations, I submit herewith the

DRAFT OF A SUGGESTED AMENDMENT

to the New York insurance law prepared by parties strongly favoring a change from the single standard of market prices at one date in the whole year, revised to meet the views of the department, which approved the perfected form, but the bill as finally presented was too late to be taken up by committees or considered by the Legislature. Its terms would declare what is now within the province of the New York department and recognize the full discretion of the Superintendent in determining matters experimental until by lapse of time a safe and satisfactory procedure might be evolved. To departments whose States have laws prescribing an arbitrary rule for valuing all securities without deviation by reason of different circumstances or conditions, the outline of the bill may afford desired information and suggest reasonable amendments to their existing statutes which will permit an adoption of amortization methods or the making of them permissive in defined cases. The copy of amendatory bill is to be read as applied to New York legislative rules, omitting the words in brackets, which are a part of the present law, and including as new law the underscored wording of the bill.

"Section 1. Section 18 of Chapter 390 of the laws of 1892, constituting Chapter 38 of the general laws, and known as the insurance law, is amended to read as follows:

"Sec. 18. Stocks [in other corporations], *bonds and other evidences of debt.*—If any domestic insurance corporation shall have invested any of its funds in, loan*ed* any of its funds upon the stock, bonds or other evidences of debt of other corporations *or of any nation, State, city, town, village, school district, municipality or other civil division of any State* pursuant to the laws of this State, and the Superintendent shall have reason to believe that such stock, bonds or other evidences of debt are [below par] *not amply secured* or are not yielding an income, he may direct it to report to him under oath the amount thereof, *the security therefor* and its market value. No [such] stock *and no bond or other evidence of debt in default as to principal or interest or if not amply secured,* shall be valued as an asset of the corporation above its market value. *All bonds or other evidences of debt shall, if amply secured and if not in default as to principal or interest, be valued as follows: If purchased at par, at the par value; if purchased above or below par, on the basis of the pur-*

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chase price adjusted so as to bring the value to par at maturity and so as to yield meantime the effective rate of interest at which the purchase was made; provided that the purchase price shall in no case be taken at a higher figure than the actual market value at the time of purchase, and provided further that the Superintendent of Insurance shall have full discretion in determining the method of calculating values according to the foregoing rule, and the values found by him in accordance with such method shall be final and binding. Provided, also, that any such corporation may return such bonds or other evidences of debt at their market values or their book values, but in no event at an aggregate value exceeding the aggregate of the values calculated according to the foregoing rule."

MR. BRINKERHOFF ON AMORTIZATION.

Mr. Brinkerhoff, of Illinois, favored the amortization plan. In the course of his paper, which contained tabular illustrations, he said:

The valuation of these securities upon the basis of the agreed rate of interest for the investment, which is the fundamental principle of the amortization plan, is in harmony with the valuation of the investments of a company in real estate mortages. The interest contracted to be paid by the mortgager is the agreed price to be paid for the use of the money, precisely as is the agreed rate which the investment should earn in the purchase of a bond. And yet real estate mortgages are invariably valued at their face amount, assuming the security to be sufficient, regardless of whether the prevailing price of money is higher or lower than the contractual rate in the mortgage. Furthermore, mortgages in the same company paying different rates of interest, if sufficiently secured, are valued alike at par. If this is a correct method of valuation for mortgages, why is it not equally correct for bonds? If it is necessary to value bonds at the date of annual statements at the amount at which they can be converted into cash, why is it not necessary to apply the same rule to mortgages?

It seems to be a necessary conclusion from a consideration of the nature of the investments and the purposes for which they are held that in times of financial depression they have a value as assets of an insurance company offsetting its liabilities, altogether different from and independent of what their cash value would be if put upon the market. If this be true, and in the face of it a liquidation value is insisted upon, then to be logical it should be applied to the other classes of assets, and we have seen that it is not applied to real estate mortgages. Furthermore, there should be some sufficient reason assignable for so doing. What other reason can be conceived of than either that its liabilities may all mature at once—which we know cannot happen—or that it must be wound up because of insolvency. But to determine insolvency the assets should be valued at their worth to the company in their relation to its liabilities which they are held to discharge, and this brings us back to a valuation upon the amortization plan on the basis of the actual investment.

The subject was also discussed by Mr. Hardison, of Massachusetts.

COMMISSIONER LOVE, OF TEXAS, DEFENDS THE ROBERTSON LAW.

Mr. Love, Insurance Commissioner of Texas, read a paper in explanation and defense of the Robertson law, requiring life insurance companies to invest 75 per cent. of their Texas reserves in Texas securities. After expressing his conviction that the law is a wise and wholesome one and explaining its provisions, the commissioner said:

I believe it will be generally agreed that Texas has been a splendid life insurance field, and I am confident that the overwhelming majority of her people believe life insurance to be not only a beneficent but a practically necessary institution, and have no disposition or desire to oppress, hamper or unduly restrict any legitimate company desiring to transact business on fair terms within her borders; but they are also of the deliberate opinion, gained after years of discussion and consideration, that their life insurance business can be transacted without oppression or undue restriction and yet upon such terms as that its operation will not only not hinder or retard, but will assist and promote the progress and development of the State and the economic welfare of its citizenship.

The life insurance business, legitimately conducted, consists for the most part in the collection of premiums from the policyholders and the investment somewhere at the best possible income compatible with unquestionably safe security of that portion known as the reserve.

In 1906 the life insurance companies doing business in Texas collected in round numbers $9,300,000 in premiums from citizens of the State and paid out in Texas death losses $3,100,000. Since 1875 more than $90,000,000 has been collected in premiums from Texas policyholders and about $30,000,000 of this has been paid out in death losses.

It is true that a considerable additional amount has been paid out by the companies for commissions to agents and for other expenses within the State, but it would seem certainly safe to estimate that for a third of a century past more than two dollars have left the State through life insurance channels for every dollar that has been returned. It has been urged that in view of the large reserves maintained by the companies in Texas business still in force this comparison is unfair or inapt, and for the purpose of evidencing the financial gain or loss of the people of the State, from life insurance transactions, the exception is well taken; but as evidencing a serious economic drain upon the cash or investment resources of the State, which has incidentally resulted from those operations, it is in my view logical and conclusive.

While material development within the State of Texas during recent years has made marvelous progress, it is still a State of vast undeveloped resources. Her progressive and enterprising people, while thrifty and prosperous, are more largely borrowers than lenders of investment capital, as must needs be the case with a growing, developing community.

Texas is and has been for years a favored field for conservative real estate mortgage loan investors from both sides of the Atlantic. A leading well established Western life insurance company, whose record for returns upon its investments is unexcelled, has invested largely and continuously in Texas real estate mortgages for more than twenty years, and has now so invested more than $4,250,000, or about ten times the amount of its Texas reserves; and another Eastern company, noted for its conservative and profitable investments, holds $2,500,000 of Texas mortgages and has never written a policy in the State. Even the representatives of the companies which have most strenuously opposed the law requiring investments in Texas securities have, I believe, with practical unanimity agreed in avowing that Texas is a desirable field for investments, and that but for the passage of the law they would occupy it largely.

I believe an examination of the annual statements of the life insurance companies carrying Texas business will unquestionably disclose that they now hold more than $20,000,000 of reserves on Texas policies invested in securities outside the State for the development and advantage of remote localities in which her people have no interest. This is Texas money belonging, as the companies say, to Texas policyholders, representing wealth produced in Texas. It is needed at home. It can be invested there more safely and for a better income and generally more profitably to the company and its policyholders than as it is invested. What violence is done to any principle or sound practice of life insurance to require that it be invested there?

Mr. Love claimed that every State has the right, under our system of government, moral as well as legal, to determine for itself the terms and conditions upon which it will permit foreign corporations to transact business within its borders. In exercising this right it has considered the interests of its own people, which require that a fair proportion of their life insurance reserves shall be invested in Texas securities. Continuing, Mr. Love said.

The objection has also been raised that while the investment requirement of the Texas law could be complied with as to Texas without injury or disadvantage to the insurance companies in view of the excellent investment opportunities and conditions existing there, yet such a course would result in the enactment of similar laws by other States, in some of which it would or might be impracticable to make the required investments.

My answer has been that Texas has legislated for her own people, and in view of her own conditions, as was her right, and has no disposition to assume the role of the evangel; but if a suggestion might be permitted from the companies' standpoint there are certainly more advantages than disadvantages to be derived by life insurance companies from pursuing the course of investing a fair proportion of their reserves on their policies in every State where their business is written in the securities of that State.

By such a course the companies' interests would be promoted by increasing the confidence of the policyholders and the public in the honesty and fidelity of the companies' management through the obvious lessening of opportunities for self aggrandizement and favoritism in the control and direction of investments, and with a proper organization such a policy would result in more

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carefully selected investments, placed at a reduced expense; greater stability and less liability to fluctuation in the value of its assets and certainly in better interest earnings.

I have recently seen the statement that a company having some $50,000,000 of reserve investments in 1907, which were voluntarily distributed throughout thirty-four States in which it transacted business, suffered absolutely no loss through depreciation of its assets during the panic, and realized for the year a net earning of some $700,000 greater than would have been realized at the average rate earned by the thirty leading companies for the year.

The policy of investing the reserve in the States where the premiums are collected would serve another useful purpose more important perhaps to the life insurance companies than they may have had opportuinty to realize. By the manifestation of a spirit of just reciprocity along this line they would go far in the direction of obliterating the feeling of distrust and prejudice among the people, which constitutes the chief embarrassment and hindrance to the progress of legitimate life insurance business.

The commissioner concluded with the "friendly prophecy" that the people of Texas will in the future build up sound, conservative and honest home companies, which will enable them to carry their life insurance contracts without being required to send annually millions of dollars in premiums to the Atlantic seaboard for investment, while as safe and lucrative investments are available at home.

Although the convention was evidently not in sympathy with Commissioner Love's views as expressed in this paper, it was acknowledged that they were ably presented. He was asked how many companies had withdrawn from Texas on account of the Robertson law and replied that twenty-one went out, but one company had since returned. There were now twenty-nine companies doing business in the State, of which five were domestic companies.

An adjournment was had at this point until Wednesday morning.

WEDNESDAY'S PROCEEDINGS.

Today's session began at 10 o'clock a. m. with President Folk in the chair.

The committee on blanks submitted its report through Chairman Appleton, and the secretary read it, and each section as read was adopted. Then on motion the report was adopted as a whole. (The substance of this report has already been made public through the press.)

A communication from the National Fraternal Congress was presented, asking that certain inquiries be eliminated from the annual statement blank. A vote was taken on the request and it was defeated.

REPORT OF THE COMMITTEE ON LIFE INSURANCE TAXATION.

The committee appointed at the convention of 1907 to investigate life insurance taxation presented a long report, going over the general state of the law on this subject, and the moral question involved in levying of taxes for general purposes on the provident funds of the community. As to the remedy for these conditions the report said:

Your committee has given much thought and consideration to the question of a remedy for this evil, and would recommend:

First—That the rate of the premium income tax, if one be imposed, shall be fixed by methods which will give some assurance of equality of rate with that of other taxpayers. For whoever may object to the entire repeal of such laws certainly will not object to so framing them that the taxes exacted from life insurance corporations will not exceed those exacted from other taxpayers. The present rates in the different State are purely arbitrary. Why, for instance, should New York take $1 out of every $100 paid for premiums within the State, Ohio $2.50, Kentucky $2, and Maryland $1.50. There should be some basis of uniformity, and some method of comparing the relative amount of taxes paid by life insurance with those paid by other interests and businesses. This comparison for the purpose of fixing the rate your committee believes can be accomplished by ascertaining in each State the amount levied upon some other form of business, say from the reports of banks, what taxes they pay for the year on all their forms of property except real estate and other tangible property, ascertaining also what the banks gross income for the same year was; then, by finding from such data what rate of taxation upon their gross income would produce the taxes actually paid by them in excess of the taxes paid on their real estate and other tangible property. The rate so ascertained could be employed for the purpose of taxing the gross income of life insurance, thus putting life insurance on an equality with banks as to taxation.

Second—All laws authorizing taxation of premium income in counties and municipalities as an item of property should be repealed.

Third—All laws and ordinances authorizing occupation or license taxes in counties, cities, towns and villages should be repealed.

Fourth—Laws of the States imposing fees and licenses should be revised and graduated upon an equitable basis so as to raise therefrom adequate funds for the maintenance of the insurance department within the State. The fees and licenses so charged should be enough, but not more than enough, to pay the expenses of maintaining the insurance department. They should be so regulated as to accomplish this end, but no more.

The adoption by all the States of these remedies would cure a great evil, and relieve the several States of the charge fairly made against them, namely, that by this system of taxation they increase the cost of insurance or reduce the amount thereof, with little more reason or little more justification than the misappropriation of such funds for political campaign purposes, or the use of them in extravagance of management.

Your resolution appointing this committee instructed us to prepare a bill embracing such reforms as we might recommend. It is impracticable for us to comply with this feature of our instructions because the laws in every State controlling the question of taxes, licenses and fees are so numerous and appear in so many places in the State statutes that any general bill on this subject suitable for introduction for legislative action could not be framed. The remedies here proposed, however, are simple, and the form of bill necessary to carry them out may be readily drafted in any jurisdiction with the aid of the local statutes for the purpose of determining the special laws in such jurisdiction to be repealed.

HOW SHALL THESE REMEDIES BE BROUGHT ABOUT?

It is a difficult matter to procure legislation reducing taxation. The legislator charged with the duty of raising public revenue finds a law on the statute books which accomplishes this purpose and is reluctant to change it by reducing the tax. The disposition always is to increase the tax rather than reduce it. Any proposed reduction, too, arouses opposition from other taxpayers, who see visions of additional tax burdens shifted upon them.

But we cannot believe the good citizenship of the several States represented in their respective legislatures will ignore the merits of this just claim for a reduction in the taxes imposed upon life insurance, if the merits of the case are clearly and fairly presented to them. Legislators, as a rule, want to do what is right, and will do what is right when they see the right. But insurance is a difficult, complicated subject; its principles and ramifications are not understood except by those who give them special study. It devolves upon those, therefore, who understand the subject to assume responsibility for recasting the taxing laws along the lines suggested in this report. The members of this association may do much to this end; but upon the insurance companies and their policyholders devolve the great burden of responsibility for procuring these desirable changes. It is the duty of the managers representing their policyholders to protect in this legitimate manner their property from depletion by unjust taxation.

Your committee regrets that the brief time available to it rendered impossible any consideration of the other branches of insurance, whose representatives feel that they, too, in common with life companies, suffer from unequal and excessive taxation.

In conclusion it is respectfully submitted to the convention that from the body there be created and appointed a permanent committee on taxation.

The report was signed by H. R. Prewitt, chairman; J. V. Barry, Otto Kelsey, Joseph Button, J. A. Hartigan, B. F. Crouse and F. W. Potter.

Superintendent C. C. Lemert, of Ohio, the remaining member of the committee, appended the following memorandum: "I subscribe to the recommendations above made, but cannot agree with the majority of the committee on the existence of some of the facts and opinions expressed preceding the remedy."

The report provoked a long discussion, but it was finally adopted by the convention, the delegates from South Carolina,

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Texas and Tennessee asking to have their votes recorded in the negative.

REPORT ON UNAUTHORIZED INSURANCE.

The report of the committee on unauthorized insurance made the following recommendations:

1. Let each State, where it is not already on its statute books, provide for the supervision of each and every company, association, order or individual or set of individuals who do or pretend to do an insurance business of any kind or class.

2. Provide a uniform law, regulating the placing of surplus lines of insurance which shall include the payment of all taxes by the assured when an unlicensed company is used, with a sufficient penalty attached for violations.

3. Provide strict and proper laws for the organization and supervision of all domestic companies and associations and orders.

4. Let each State through its insurance department put its stamp of disapproval upon and discountenance the doing of business by its domestic companies in States where they are not licensed and do not comply with the laws governing the class to which they belong.

5. Publicity is a great foe to improper and illegal practices and a uniform system by all the State insurance departments of reporting to each other—and the publication through the press and bulletins—of all companies or associations doing or offering to do an underground or illegal business, will do much to stamp it out.

6. Your committee believes that some good may be accomplished by reporting these companies to the Post Office Department as fraudulent concerns; but the real remedy could and would come in the passage of a law such as the convention, through the committee on legislation, sought at the hands of Congress several years ago.

7. Again, your committee is satisfied that much can be accomplished by a campaign of education through the insurance department of each State in showing to the people that the man who is willing to evade the laws of his State and withhold proper fees and taxes will not, when an opportunity presents itself, hesitate to rob or defraud them.

JAMES A. YOUNG, Chairman.

DEPARTMENTAL PRACTICES.

At the afternoon session departmental practices were discussed by Messrs. Rittenhouse, Barry, Green, Fletcher, Stillwell, Bell, Potter, McMaster and McComb. They rehearsed the general practices of their several departments, and while they gave no information especially new, the discussion was exceedingly interesting and was listened to very attentively.

Mr. Rittenhouse's paper was very long and covered all the ground.

Mr. Bell, of Kentucky, enlivened the meeting with facetious and humorous remarks on his work.

Mr. Potter, of Illinois, said that his department paid particular attention to the complaints of citizens and gave them such advice and counsel as they required, and it co-operated with the company officials in preventing rebating. His department had not the nerve to tax companies; did not ask domestic companies to pay any tax. Rebating was hard to handle and was largely a matter for the courts. He found it a good plan to get along with all companies in his State in a friendly way.

Mr. Barry, of Michigan, who was greeted with a round of cheers, gave a brief account of the working of his department.

Mr. McMaster, of South Carolina, gave a facetious account of his short experience, and Mr. Vandiver, of Missouri, gave the insurance journals a "dig." Mr. McComb, of Oklahoma, told what his department was doing and what he hoped to accomplish.

At this juncture Mr. Vorys, of Ohio, was introduced, and was welcomed with round after round of cheers. He expressed the pleasure he had in again meeting with the convention and wished he were one of them.

VALUATION OF FIDELITY AND SURETY COMPANIES.

Mr. Rittenhouse read the following paper on the valuation of the assets of fidelity and surety companies:

Among the very important problems of supervision which should be solved at the earliest possible moment is the question of valuing the assets and liabilities of fidelity and surety companies in a uniform manner. The extraordinary development of the fidelity and surety business has brought it some very perplexing questions for the commissioners to solve in making examinations. Another fact that has developed which has impressed every supervising official who has given it any thought is the necessity for placing additional safeguards around the solvency of these companies.

A surety or bonding company undertaking to guarantee the deposits of banks and the fiedelity of its officers should be placed under restrictions as to its investments and general standards of solvency at least as rigid as those required of the banks which they undertake to guarantee. A company that undertakes to guarantee the performance of contracts and the honest administration of fiduciary and other trusts, the fidelity of persons and the various other forms of liability which they assume, should be made as absolutely sure and safe as law can make it.

When the protection furnished by these companies is greatly needed, the time when they are supposed to render the greatest service to the public, is in time of financial distress when banks are closing, contractors throwing up their contracts, and fidelity and other trusts being violated by dishonest men. It is not when things run smoothly, but when trouble comes that they must be able to protect the public.

The present lack of uniformity in the requirements as to the valuation of various assets and liabilities, and in the capital required, leaves these very important companies with a fluctuation standard of solvency, varying with the ideas and opinions of the company officers, or of the official examiners who are called upon to determine their financial condition. The examinations of these companies during recent years has shown very many instances where, owing to this lack of system of uniformity, the assets have been improperly swollen, thus furnishing a fictitious surplus, concealing impairment and the real condition of the company.

I believe that this condition should not be permitted to continue. A substantial and uniform minimum capital should be required, proper restrictions should be placed around the investments, and the salvage question should be settled. The manner of handling indemnity collateral should be determined upon, the matter of carrying reserve upon contracts upon which the liability extends beyond expiration should receive attention, proper rules should be made regarding the loss claim reserves, and the question of providing an unearned premium reserve by abandoning the present plan—which all admit is unsatisfactory—and requiring reserve laid by at so much per thousand on the contract liability should be considered.

A number of departments have given much study to these questions, and the urgent necessity for reform is fully appreciated by all departments. It is believed that a movement should be started to correct the present unsatisfactory conditions, and therefore those commissioners who have given this subject especial study believe that a special committee should be appointed to investigate the whole question, and to make recommendations for uniform methods and a standard of solvency that may be crystallized into law or into uniform rules which the convention may recommend to its members to apply to the security and bonding companies.

I therefore present the following resolutions, which I earnestly trust will meet with your approval:

Resolved, That in appointing the committee for the ensuing year a special committee consisting of nine members be appointed, to be known as the "Fidelity and Surety" committee, which shall formulate recommendations for uniform laws or regulations covering the following or other matters relating to the business and administration of fidelity and surety companies: Capital required, character of assets, special deposits, salvage, indemnity collateral, reserves for losses, expired bonds upon which claim may be made, adequate rates, unearned premiums, agreements of indemnity holding reinsurers harmless. If in the opinion of said committee it be found desirable to recommend a uniform law for the government of such corporations, it is hereby directed to include the same in its report.

The resolution was adopted.

Mr. Drake, of the District of Columbia, read a paper on the advisability of a simplified form of standard fire insurance policy, which was discussed by Messrs. Lemert, Young and others. The general view was that while the standard form might need reformation and modification in several particulars, it would be safer to let it remain as it is, in view of the eccentricities of legislation.

At the evening session of the convention Mr. Basford, of South Dakota was invited to make some humorous remarks on the strength of his reputation in that respect, after which

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the discussion of the simplification of the standard form of policy was resumed by Messrs. Young, Hardison, Basford, Anderson and others.

MR. McGIVNEY ADVOCATES STATE REGULATION OF FIRE PREMIUMS.

Mr. McGivney, of Louisiana, addressed the convention at considerable length on the expense question in fire insurance, and advocated limitation by law of the percentage of premiums a fire insurance company can use for expense purposes. After referring to the agents' bill in the Louisiana Legislature to regulate commissions and the prompt "call to arms" by the companies, he said:

The discussion of the commission question between the agents and the companies exposes a situation which needs serious attention from the standpoint of the welfare and protection of the public, irrespective of the merits of the discrimination quarrel between the agents and their companies. An investigation of the expenses of insurance companies, taken from the combined experience of all companies, compiled by the National Board of Fire Underwriters, printed at page 438 of the Spectator Year Book, shows that the average percentage of premiums used for expenses has been climbing steadily, reaching in 1906, for 156 companies, the average of 38.85 per cent.; the United States companies' ratio being 40.76 per cent., and that of the foreign companies 34.12 per cent. This percentage, compared with the average ratio of the earlier underwriting history, shows an apparent advance of from 6 to 7 per cent. in the average expense of fire companies.

The ratio of commissions paid to premiums collected discloses a corresponding rise, making it appear that the enhancement of commissions is largely responsible for the increased expenses to the companies. This average increase, based on the gross fire premiums collected in 1906, amounts to about $20,000,000 of commissions.

Naturally, with this knowledge at hand, it becomes interesting to ascertain under what circumstances can the companies acquiesce in an increase of $20,000,000 in one single item of expense. How can the stockholders afford this additional expenditure? Have the premium rates been raised accordingly to indulge this enormous outlay to get the business?

The same authority, the National Board of Fire Underwriters, in the statistical tables, printed at page 444 of the Spectator Year Book, shows that in those halcyon days of yore, when the compensation to agents was based upon a flat commission of 10 per cent. of the premium, and before the conception of graded and contingent commissions and other devices of favoritism and extravagance, the companies furnished insurance indemnity at an average cost to the assured of 21 cents cheaper on each $100 of risks written than the average rate the companies have been charging the assured for the past five years. This 21 cents advance in the average rate, based on the gross premiums collected for the year 1906, produced about $60,000,000 from the pockets of the assured, more than sufficient to take care of the $20,000,000 annual donation to the agents in the shape of excessive commissions.

A perusal of the average fire loss ratio from 1860 to 1906 does not give any evidence of a necessity for increased premiums. The average fire loss ratio, including the San Francisco conflagration of 1906, which made the losses of that year more than $100,000,000 above the normal, is only 60.18 per cent. The average, without the year 1906, is no larger, if not less, than in those days when the companies charged the public 21 cents less on each $100 of risks.

The ratio of dividends to stockholders for the past forty-six years, with the exception of the year 1906, shows an increase; the average dividend being about 12 per cent. to $100 of capital, the amount of dividends, in individual instances, with some of the older and larger companies, being from 15 to 40 per cent. per annum on the par value of the capital stock.

The average rate of State taxation cannot be charged with the responsibility for increased premium rates. The average rate of State taxation is not available for a longer period than fifteen years; the average rate of taxes to premiums during that period was 2.68 per cent., which is an advance of less than one-third of 1 per cent. of the total premiums collected. This small advance in the average rate of State tax is a mere fraction of the increased expenses, and is more than compensated for by the modern building improvements and better fire protection.

It is evident that the policyholders, and not the stockholders, have been contributing this enormous increase in the expense of conducting the fire insurance business.

The situation of the fire insurance business today can be summarized thus:

(1) The companies admit that they have not been able to keep down the expense of conducting the business to within reasonable bounds.

(2) That the importunities and demands of the agents for increased commissions, which the companies have been unable to withstand, have forced up the expense element of the fire insurance premium until it is now admittedly unconsionable and extortionate.

(3) That to meet these demands and to indulge other extravagant methods the burden of fire tax on the public has been increased by raising the premiums $60,000,000 per year.

(4) That the recent systems of graded and contingent commissions, brokerage allowances and other differentials, peculiar to particular localities, and enjoyed only by certain classes of agents, have resulted in a palpable and unjustifiable discrimination against the insured in the matter of premium rates, and against the agent in the question of commissions in the unfavored territories.

Mr. McGivney illustrated the resulting injustice and discrimination from the present method of compensating agents by reference to the experience of his own State of Louisiana. In States which have for twenty-five years required on an average all the way from 55 to 65 per cent. of the premiums collected to pay fire losses, the companies are, notwithstanding, paying to the agents in those States 20 to 50 per cent. of the premiums for commissions, whereas in Louisiana, where the loss ratio for the past twenty-five years has been about 48 per cent., the agents are paid only 15 per cent. of the premiums for commissions. Such localities as Louisiana are paying a double forfeit by this system of favoritism. While the agents of Louisiana are being paid on an average of 6 per cent. less than the general average commission paid to agents over the whole field, the policyholders of Louisiana have been paying in the past ten years an average rate of $1.54 on each $100 of risks written in Louisiana, whereas the average premium rate charged by the companies over the whole field is only $1.09 on each $100 of risks written.

Touching the question of State regulation Mr. McGivney said:

There is no business where the right of the State to supervise is more strongly insisted upon than in the business of insurance. From time to time experience has proven the necessity of the State's enacting statutory regulations to equalize the well known advantage of the insurance corporation over the assured. Perhaps no other class of public service institutions has received as much legislative attention in the interest of fair dealing to the public.

At first glance it may seem harsh and too paternalistic for the State to interfere so extensively with the operation of corporations organized with private capital furnished by the stockholders, but an analysis of the business in which a fire insurance company engages, and of the manner in which it is conducted, demonstrates the fire insurance company to be, in fact, the mere trustee of large public trust funds, collected in advance from a great number of policyholders and held for the payment of fire losses.

The State has by statute designated as trust funds the premiums collected in advance by fire insurance companies, and it requires the company to hold and maintain the unearned portion of these funds as a distinct liability for the benefit of policyholders to reinsure the fire risks the company has outstanding in the event it retires from business; or, in accordance with the policy contract, to return the same at any time, less a slight penalty, to the policyholder should he desire to cancel the risk.

These trust funds as they are earned are the source from which the fire losses are paid. The fire losses are not paid from the capital stock. The capital stock is in effect merely an initial fund, which the State requires the company to possess as an evidence of its responsibility and respectability before a franchise is given to it to engage in the business of issuing policies. It is true that the stockholders risk this capital, but except in the event of a great conflagration no company is ever required to pay losses out of its capital. The capital operates as an additional guarantee to the policyholder, but compared to the liability the State permits the company to incur the amount of capital stock is a mere drop in the bucket, a small fraction of the responsibility the State permits it to assume.

For instance, we find one company with a capital of $400,000

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carrying a liability of $332,000,000; another with a capital of $2,000,000, and a liability of $328,000,000; another with a capital of $1,000,000, and a liability of $1,236,000,0000; another with a capital of $2,000,000, and a liability of $1,873,000,000.

The company with the $400,000 capital is holding trust funds or unearned premiums for the benefit of its policyholders aggregating $2,186,000; the company with the capital of $2,000,000 is holding $2,035,000 of trust funds; the company with the capital of $1,000,000 is holding $7,096,000 trust funds, and the other company with the capital of $2,000,000 is holding $3,261,000 of trust funds. The aggregate trust funds of the fire companies amount to upward of $250,000,000, which is about three times as much as the total combined capital stock invested, and about one and one-quarter times more than the combined capital and surplus of all companies.

Compared with the business of railways, express, telegraph, telephone, sleeping car and other similar corporations which the State has singled out for regulation as public service corporations the conduct of a fire insurance company is more closely and intimately associated with the principles involved in the right of State supervision than any other class of business where the State attempts to exercise this right. The business of fire insurance has been developed to such an extent that it has grown to be essential to commerce, and inseparable from the everyday business transaction; it is a recognized necessity and a fixed expense with the banker, the manufacturer, the trader, the householder and every other possessor of property. No property transaction is safe, no business is conservative, and no owner of real property is considered sane unless the advantages and protection of fire insurance are duly and timely utilized.

The history of the jurisprudence of this country shows that courts of equity have from the beginning of the fire insurance contract exerted their unusual power and invoked their peculiar doctrines in behalf of the policyholder in the interpretation of his policy contract. The courts, like the Legislature, have found that experience proves the business of fire insurance to be one in which their influence should be used to fix the equity between the assured and the company. They have done this by softening and modifying the strict warranties and limitations of the policy contract. In doing this their rulings are based on a judicial intervention of equity and justice, offsetting the advantage which the court declares the corporation has over the policyholder in the making of the contract. Thus we have the authority and encouragement of courts for singling out the fire insurance company as a public service institution for State supervision and regulation.

Since the insurance corporation is recognized both by the Legislature and the courts as the fairest example of the need of State regulation and judicial intervention, I do not know of any branch of the insurance business where greater good can be accomplished for a greater number of people than for the State to intervene in the apparently unending and hopeless struggle between the agents and the companies, and limit by law the percentage of premiums a fire insurance company can use for expense purposes.

At the conclusion of his paper Mr. McGivney suggested that the president appoint a committee of five to investigate the expense question in fire insurance and report at the next convention what action, if any, should be taken on this question.

The advisability of a standard provision for health and accident policies was discussed by Messrs. McDonald, Anderson and others, and on motion it was referred to the committee on laws and legislation.

Mr. Crouse, of Maryland, read a paper by Mr. Armstrong, president of the Philadelphia Casualty Company, advocating a standard form of policy for health and accident companies, the object being to protect small policyholders.

Both papers on motion of Mr. Kelsey were referred to the committee on law and legislation and not to be printed.

An adjournment was then taken until tomorrow.

THURSDAY'S PROCEEDINGS.

At Thursday's morning session Mr. Anderson read the report of the committee on rates of mortality and interest, and Mr. Kelsey, of New York, for the committee on assets, reported its conclusion that some plan should be secured for obtaining uniformity in market values in annual statements of bonds and stocks. The matter was in the control of the commissioners, and was not defined by law.

Mr. Rittenhouse asked for information as to how special deposits were handled by insurance departments. Several commissioners replied, stating the rule in their States as to deducting the reserve before putting the deposit in assets.

The resolution relating to a simplified form of policy, which was laid on the table yesterday, was taken up, and Mr. Fletcher offered the following substitute, which was adopted:

Resolved, That the committee on laws and legislation be directed to investigate the advisability of recommending to the various legislatures for adoption, first, a simplified form of standard fire insurance policy; second, standard policies or standard provisions and prohibitions relating to accident, health, liability, fidelity and surety policies or contracts. Said committee is further directed to report its conclusions to the next convention, and, if in the opinion of the committee legislation is advisable, the committee is hereby requested to present with its report a draft of such proposed legislation as it deems expedient.

Mr. Potter, of Illinois, chairman of the committee on fraternal insurance, reported that the committee believed that fraternal societies should, under proper restrictions, be promoted and encouraged. The committee has not been able to prepare and agree upon recommendations, and in view of the recent decision of the Supreme Court it considers it inexpedient now to advise specific legislation upon this subject. In view of the growth and importance of these socities they should be treated by all State departments and legislatures with liberality and consideration. Uniformity in laws is desirable. It was recommended that a committee be appointed to confer with the National Fraternal Congress and Associated Fraternities of America with the purpose of agreeing upon measures.

Mr. McDonald, of Connecticut, chairman of the committee on laws and legislation, said that there had been no meeting during the year. There was a disposition in the convention to refer to special committees matters belonging to the standing committees, which should not be done. The committee had no recommendations to make.

Mr. Hardison, of Massachusetts, chairman of the committee on reserves other than life, had no definite and positive recommendations to make. The committee had discussed a plan for computing the loss reserve for credit companies and testing those of fidelity and surety companies; also the unsettled question in respect to premium reserves of fidelity and surety companies and reserves for losses. He concluded by saying that the blanks of 1907 for surety companies contained schedules for making returns, which will, from year to year, test the adequacy of the estimates of companies. The plan has been in operation for several years, and the returns of various companies under it are made a part of this report, as they embody much of interest and value.

Mr. Bell, of Kentucky, rose to a question of personal privilege to explain away the wrong position which an insurance journal had put him in in connection with the recent manipulation of the Provident Savings Life. He in no way sought to influence the New York department in the matter, and made no proposition to it. He went along to serve the policyholders and see that they were properly cared for.

Mr. Kelsey said that there was nothing in the interview with him that could in any way reflect on the character and high standing of Mr. Bell.

Mr. S. Hazen Bond, of the United States Treasury Department, read a paper on the "Classification of Fidelity and Surety Risks on Bonds of Government Officials."

On motion the paper was referred to a special committee.

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A statement with accompanying tables, prepared on behalf of the Board of Casualty and Surety Underwriters and International Association of Accident Underwriters for the committee on taxation of this association, was presented. It showed taxes and fees paid by accident and casualty companies in 1907 on business transacted in 1906 in all the States and Territories by thirty-seven stock companies and eighteen associations. These stock companies received in premiums in 1906 $40,663,055.70 and paid to the various States for the privilege of doing business therein, excluding taxes upon real estate and publication fees, $854,130.81, or including real estate taxes and publication fees, $931,153.68. The percentage of taxes to premiums in the one case is 2.10 and in the other is 2.29. In the same year the eighteen casualty associations received in premiums $1,728,622.75 and paid in taxes, excluding real estate taxes and publication fees, $4,588.52. As these associations are not subjected to State premium taxes and in but few instances to local taxation and are largely exempted from the payment of licenses, State and local, their figures are not included in any of the tables. As an appendix to the tables there were four charts which further illustrated the inequalities as well as the injustice of the burdens imposed upon companies under the guise of taxation and departmental supervision. The rate per cent. of taxes and fees paid in 1907 to premiums collected in 1906 by States ranged from 1.01 in Illinois to 7.26 in South Dakota.

MEMORIAL OF FREDERICK L. CUTTING.

The committee on the preparation of a memorial of the late Insurance Commissioner Cutting, of Massachusetts, presented the following, which was unanimously adopted:

We, the insurance commissioners of the United States in convention assembled, deem it fitting to adopt this memorial of Frederick Lord Cutting, our late associate in the labors of many years, as an expression of our appreciation and respect.

Frederick Lord Cutting was born to a life of service. While but a youth he enlisted at the call of President Lincoln, and bore his part with honor until the close of the war. He was frequently assigned for special duty, and did it well. His discharge from the army did not send back to the North a man of demoralized character, but one fit to stand as a man among men, one as eager to enter upon the calm pursuits of peace as he had been to do his duty in the rough turmoil of war. His first call upon arriving home was to serve in the Adjutant's General's department of his home State, which gave him congenial employment.

But what may be called his life work was in the Massachusetts Insurance Department, to which he was soon transferred, and where he rose from clerk to Insurance Commissioner, occupying the latter position for ten years of his thirty-five years in that department of labor. His resignation took effect November 30, 1907, and his death occurred on the seventh day of the new year following.

For many years before he became commissioner he attended the meeting of this convention, and served as its secretary as long as he would consent to hold the office.

He, as deputy commissioner and then as commissioner, worked on important committees. He had no special gift for performing what may be called the ornamental functions of the convention, but in doing the sturdy homely duties which pertained thereto he was ever at the front. He had opinions which he expressed in a positive way. His honesty was rock ribbed, he was inclined to distrust compromises, and made his way rather by his force of character than by dodging to the right and left to avoid collision. He was never a seeker for public approbation, or for official preferment. It was against his will that he accepted the presidency of this convention, and in fact it required much urging to induce him to take his original appointment as Insurance Commissioner. He formed many close friendships among his fellow members of this convention, and always expressed his delight when a good official was given the reward of his faithfulness by a reappointment.

On the private and personal side he was kind, sympathetic and tender hearted, yet he had an inflexible will which kept him true to his high ideals in respect to virtue, temperance, devotion to his family and loyalty to his convictions.

His service to the business of insurance it is difficult to measure, but we do know that he stood for sound companies, honest management, full publicity and a supervision in fact as well as in name. The public is better off because Frederick L. Cutting lived, and the insurance commissioners have a worthy example to emulate.

While we mourn his loss we rejoice that we have had the benefit of his labors, known the inspiration of his presence, and felt the satisfaction of being able to point to him as "one of us." It is such men and what they stand for that gives strength and character to an organization like this, and afford a prophecy of the coming of the Kingdom of Righteousness on earth.

A resolution was adopted directing the secretary to send a copy of this memorial to the family of Mr. Cutting and to spread it on the minutes of the convention.

ELECTION OF OFFICERS.

Mr. Drake, from the committee on nominations, reported the following recommendations for officers for the ensuing year, and the report was adopted:

President, Benjamin F. Crouse, Insurance Commissioner of Maryland; vice president, Frederick W. Potter, Insurance Superintendent of Illinois; secretary, J. J. Brinkerhoff, of the Illinois Insurance Department.

Executive committee—E. E. Rittenhouse, Insurance Commissioner of Colorado, chairman; Otto Kelsey, Insurance Superintendent of New York; T. H. McDonald, Insurance Commissioner of Connecticut; J. A. Hartigan, Insurance Commissioner of Minnesota; Joseph Button, Insurance Commissioner of Virginia.

Colorado Springs, Col., was selected as the place for next year's convention.

Messrs. Drake and Button escorted the new president to the rostrum, and he returned thanks and promised his best efforts for the association.

Special votes of thanks to Commissioner Barry, of Michigan, and the insurance press were given, and the convention adjourned sine die.

Miscellany.

Bail Bonds as Executed by Surety Companies—Practice of the United States Fidelity and Guaranty.

One often hears the question asked as to the requirements of a surety company in executing a bail bond. In this connection the current issue of the *Bulletin* of the United States Fidelity and Guaranty of Baltimore gives that company's practice regarding bail bonds, which is in line with the general treatment accorded by most surety companies:

It is a rule of this company not to issue a bail bond unless we are secured to the amount of the penalty of the bond with cash or its equivalent. And by the equivalent of cash is meant a certified check, certificate of deposit, marketable stocks or mortgage bonds, negotiable to this company's sole order; or, in other words, such property as we can promptly convert into cash if the occasion should arise.

When this requirement is made known to the applicant for a bail bond he usually asks us what reasons there are why he should put up the cash or its equivalent with us, and pay us for the bond, when he might as well put up the cash with the court and save the amount of the premium we should charge for the bond. Our agents often ask us the same question.

There are a number of reasons why the applicant should buy our bond and secure it with cash or the equivalent of cash rather than put the cash up with the court or the clerk of the court.

The first reason concerns the court itself rather than the applicant, and is that when the law calls for a bail bond, nothing else will satisfy the law, not even gold coin of the realm. But with respect to those courts which are permitted to accept cash in lieu of a bail bond there are these arguments in favor of our bond, all of which concern the applicant:

1. It looks better. It is not wise for a man accused, we will say, of burglary, larceny, theft, embezzlement, obtaining money under false pretenses, or simply of business irregularities, to seem to purchase his freedom from arrest with the very money which he may have procured by means of the crime or the irregularity of

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which he is accused. Indeed, in any case it looks better and conforms rather to the theory of bail, which is, that the surety has such confidence in the innocence of the accused that he is willing to guarantee his appearance to answer the charge. While to put up the cash with the court is practically for the accused to buy his liberty until the charge against him shall be called for trial.

2. We do not require to be secured with the cash itself, but are satisfied with the equivalent; that is to say, a certificate of deposit, certified check, marketable stocks, mortgage bonds or the like, while it is to be assumed that the court would not accept anything else than the cash itself.

3. The court would not pay any interest to the depositor, whereas if cash is deposited with us we would allow the depositor some interest on it, and if we are secured with a certificate of deposit, certified check, stocks or bonds, the interest or income therefrom would go on while they were in our possession, and would be paid over to the owner. This interest or income would in a short while pay the premium on the bond.

4. It would in many cases be safer, and in every case more businesslike, to deposit the cash or other collaterals with a surety company than with the clerk of the court.

It is frequently the case, moreover, that the accused has friends who wish to keep him out of jail, and are willing to put up the money, but do not wish their names to appear on the record. In such a case we become surety for the accused and they, his friends, secure us, and nothing is known of their connection with or interest in the matter.

Supervision of Insurance by Government—Address by Commissioner Wolf of California at Los Angeles.

Among the addresses before the National Association of Life Underwriters, at its annual meeting at Los Angeles last week, was one by Insurance Commissioner E. Myron Wolf on "State Supervision," a copy of which was not received here in time to be printed with the report of the proceedings. The following are extracts from the address:

It is a little more than one hundred years since the first enactment of any character relating to insurance regulation in this country—the resolution of 1807—passed by the Legislature of Massachusetts, requiring the managers of insurance companies to render an account of their affairs to the next Legislature. Twenty-one years after that resolution—1828—acts were passed by the legislatures of New York and Massachusetts, requiring annual statements to be made to the Comptroller. Twenty-three years later—1851—the Comptroller of Massachusetts was given authority by legislative enactment to make examination of companies. Three years later—1854—the Department of Insurance of the State of Massachusetts, and five years thereafter—1859—the Department of Insurance of New York were created.

The wisdom of that line of action cannot now be doubted. It has been followed by practically every State in the Union, and there is today probably no business in this country so closely regulated and so frequently legislated upon as the insurance business.

The tendency now is toward even close connection on the part of the State with the management of the companies, and the requirements are now for more minute details as to what some may think are minor transactions of insurance companies. In a State Supreme Court decision, as recent as June 22, 1908, we find the following language:

"At this time the matter of insurance has become so important a factor in human affairs that it cannot now be said that such matters are matters of purely private concern. The public are vitally interested in the kind and character of contract which an insurance company may lawfully make, to such an extent that it may be said that such contracts are of quasi public character, and to a greater or less extent affected with a public interest."

While State insurance departments should protect both buyers and sellers—the policyholders, the companies and the agents—and should be of service to all of these, the underlying thought in regulation and legislation is that the seller of insurance is usually less in need of the protecting arm of the Government than is the average holder of a policy. The all important function of a State insurance department—I might almost say the only abiding function—for all others are only incidental to it, or temporary or questionable—is to ascertain, record and make known such truth as should be known by the people who buy and sell insurance—the truth they need to know for their mutual interest.

In physics we find the centrifugal and centripetal forces that seem to work against each other, yet we know their co-ordination holds the visible universe in the bond of law and order throughout the ages. The interest of those who sell insurance, as indicated by the history of the business, has often seemed to clash with the interests of those who buy; but in reality such interests, no matter how diverse in appearance, are in reality mutual.

Competition, although it has served to bring out much of the truth, has not seemed the adequate of wholly suitable power to enforce this principle. Honest, fearless supervisors of insurance departments, conscientious and devoted to their work, have taught, applied and enforced truth and will continue more vigorously so to do. In this work they should receive the aid of companies, agents, publicists and all other forces actuated by a serious and earnest desire to better conditions. A properly equipped and well directed State insurance department

SHOULD FOCALIZE ALL INSURANCE INTERESTS.

It should be a place where all people interested in insurance (and everyone is or should be) may be brought together for their mutual benefit when necessary.

If the business of insurance were always properly conducted, if the right kind of policy were sold and honestly sold, the mutuality of interest between those who buy and those who sell would always be evident. Unfortunately too often selfishness, which is so largely a dominant characteristic of the human race, has operated adversely to this principle of real unity of interest. In insurance, as in all else, "honesty is the best policy." The seller of insurance who will achieve the most desirable success—the only true success—is the one who will conduct himself with this principle in mind, while he who misrepresents and deceives, or fails in any degree to be fair—he, for example, who will permit a prospect to take a form of policy not the most desirable or advantageous, in order that the seller may reap a temporary advantage in increase of commission—will ultimately pay the penalty. Probably in no field of business activity is there more opportunity for misrepresentation and deception, nor better opportunity to be useful and reap the enduring reward of usefulness.

In the investigation of complaints made by policyholders—which is and should be one of the most important duties of a State insurance department—it is too often found that these complaints are based upon impressions obtained by policyholders as to the character of their contracts, from the statement of agents, and not from perusal of contracts. It is certainly regrettable that there are so many people who will not learn to investigate, nor even try to understand the terms and conditions of their policies of insurance. In the ordinary affairs of life individuals generally exercise considerable caution in the transaction of business when written or printed documents are concerned. They read, they try to understand them, and if unable to do so they submit them to legal or professional advisers for interpretation. Insurance contracts, however, in spite of the fact that they represent so vital and important a feature of business transactions, are generally given little such consideration. The word of an agent has been too often the only knowledge the insured required upon the subject, until occasion calls for action, or there is a dispute over the contract.

IMPROVEMENT IN AGENTS.

Fortunately the type of agent who takes advantage of such conditions is giving way to the type of men who now dignify the calling of insurance—men of character, of strong personality, inspired with high standards of integrity and honesty and recognizing the futility and unwisdom of deception. Likewise a better condition of affairs is obtaining with reference to the buyers of insurance. They are learning that by applying to the State insurance departments they may be fully advised as to the financial condition of companies, their comparative strength, and various other facts and details of importance in this connection. When they will have learned that in addition to securing this information they must study carefully their contracts, secure expert advice when needed, just as they seek other professional advice, the business of insurance will be upon a more satisfactory basis from every viewpoint.

The seller of insurance should encourage the buyer to make such investigation, to inform himself as to the company's resources, to seek information from the proper source—the State departments. In selling insurance he should consider the specific needs of the individual; in a word, he should not only sell his goods on their merits but help his customer to choose wisely.

It should be the endeavor of the supervising official to give heed to all complaints, secure the version of both the buyer and the seller, and take such action as he legitimately and properly may in securing just and fair dealings to both sides.

The companies and the departments should so co-operate that the latter will be fully advised as to the methods, the plans and the possibilities of the companies, or to put it in other words,

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so that the truth and the whole truth will be available. Departments should encourage companies economically and rationally managed, and use their utmost power to act as a check upon those poorly and recklessly managed.

Companies and their agents should further co-operate with departments in securing rational, wholesome and proper insurance legislation. Well directed efforts along these lines would be of material aid in preventing the contract of insurance from becoming, as has been said, "the plaything of the legislature and the football of the courts." In the very nature of things the subject of

LEGISLATION

is of the utmost importance to those engaged in the business. Much of the legislation and of the regulation that is now complained of is attributable to the fact that certain persons entrusted with solemn obligations and charged with responsibility of vital importantce have in the past forgotten their duties and proven recreant to their trusts.

Primarily it should be the aim of all the State departments to secure uniformity of legislation and regulation. How desirable this is and how unfortunate the lack thereof is proving need not be dwelt upon here. Differences in local conditions and local influences make this uniformity difficult of attainment; but it cannot be too strongly urged that in formulating or advising legislation the various departments should aim to bring this about. Whatever the merits of Federal supervision may be, decision of the Supreme Court stands in the way. The Ames bill introduced in Congress for the regulation of insurance in the District of Columbia, and which required much consideration in the insurance world, contained one provision that seems worthy of particular consideration—that providing for the organization of a national insurance bureau or department thoroughly equipped for the work of comprehensive examinations of the various insurance companies of the country. If it were possible to create such a bureau or department, removed from political influences and political vicissitudes, so efficient as to deserve and command confidence, the results would be extremely valuable; valuable to the buyer of insurance in that he might be put in possession of such reliable and comprehensive information as to companies; valuable to the seller of insurance, in that he would have a thoroughly dependable source of references; valuable to the company, in that such examination would prove more economical and less disturbing to business than is frequently the result of examinations as at present necessarily conducted.

Under present conditions, though one properly conducted examination should be and is generally recognized and accepted, there is nothing to prevent companies being subjected to unnecessary expense and disturbance of business by examinations of a number of the departments of the States in which it may be doing business. Moreover, comparatively few of the State departments are adequately equipped for this important branch of their work.

Don Carlos Seitz on the Paper Trust.

At the annual meeting of the National Editorial Association at St. Paul, Minn., last week, a subject of discussion was the extortions of the paper manufacturing trust. A statement of the situation by Don Carlos Seitz, manager of the New York *World*, was read, in which, after he had spoken of the vastness of the printing industry, whose products run into hundreds of millions of dollars, and the fact that notwithstanding its giant strength its energy has always been directed toward benefiting somebody else, he said:

Manufacturers generally are beginning to find out that it is upon manufactured raw material where the tariff scores its greatest oppression. The man who must buy steel in rail, beam or ingot for some manufacturing purpose finds himself held up by the Steel Trust. Tin, for example, in plate form is purely a raw material. But a tariff of $33 a ton has held up every tinsmith in the United States. Every person who drinks out of a cup or bakes a pie in a pan has had to pay tribute to the little group of tin plate manufacturers, probably the smallest bunch of oppressors in the country and one of the richest.

Paper, by reason of the fact that spruce wood is about the only satisfactory raw material, becomes more and more a natural monopoly under the tariff. The timber grows less each year and more expensive each year. The forests nearer the streams have been cut down, and naturally the cost of bringing the lumber to the mill grows with it. But, more than that, the combinations have had the effect of putting all the eggs in one basket and making it easy for labor to enhance their share of the cost without any corresponding benefit to the consumer. We do not get a better product and we pay more for it. We sell our goods, please remember, at a fixed price. Our subscription and advertising rates cannot be modified every two or three months to meet changes in the cost of material without seriously unsettling, if we do not destroy, our business.

If the paper combinations were wisely managed they would undoubtedly standardize the price, standardize the product, and in that way put all hands on an equality. The Sugar Trust does this, the Standard Oil Company does it and the Lead Trust does it. The paper people, however, seem to go on the theory that they must take every advantage possible when the opportunity arises. It is this that arouses feeling among their customers tnd causes uncertainty in business. The disappearing forests ought to have a chance to grow. The Canadian timber lands should be turned into wealth, as nature intended they should be. There should be an equality in consumption, so to speak, so that we can preserve a proper quantity of timber, preserve the watercourses and preserve always a low priced raw material for our business. Here in the West I gather the tariff is not the sacred idol it is in the East, and from the West we must expect a momentum that will bring about a just and sufficient modification.

WHAT THE NEWSPAPERS CAN DO.

You are in a position to make your members of Congress see the point, and you should not hesitate to exert your power. It has been often said that we should not be selfish, yet every interest with which we have anything to do is selfish to the last degree. The tariff was born in selfishness. It was erected to foster special interests, and has fostered them until the hundred millionaire is too common to notice. Under its beneficence, so to speak, the people have been taxed beyond measure to enrich a mighty few.

The West can break the superstition that the tariff is a god. It can smash this idol and bring a little common sense into play at Washington, whereby the whole land will benefit. Surely the man with the brain and energy to produce that wonderful thing, a newspaper, has as much right to some benefit as the man who finds iron on the banks of Lake Superior and carts it to Pittsburg to be made into rails. Surely he has as much right as the Meat Trust, which can pay your farmers what it pleases for their cattle and then tax the public beyond endurance to fill its own pockets. He has as great a right as the man who digs galena from the banks of the Mississippi and has a Lead Trust tax every foot of pipe used in your plumbing for its benefit. It makes me sick when I hear this palavering talk about selfishness and the necessity for protecting American interests.

Who, indeed, are the Americans? They are, in fact, the plain ordinary people, the great middle class, who are neither members of labor unions nor stockholders in trusts. They are just people like yourselves, who work hard and honestly to support themselves and their families. You yourselves, however, are in a particularly strong position in this regard because you labor so largely for the common welfare. Your paper is at the service of everything that can benefit the community except yourselves. When I see smug old politicians like Joe Cannon or Sereno E. Payne lecturing the newspapers I do not know whether to laugh or get mad. They have been sustained for years in their positions by special interests, and they feel so secure that they have treated us with scorn, impudence and deceit. I think it time for you to rise up like the giants that you are and make some kind of an effective demonstration.

THE PAPER TRUST AND THE NEWSPAPERS.

The International Paper Company, which is the backbone of the offending, is something like ten years old. During that time it has added but two machines to its equipment, capable of producing perhaps 80 tons of paper a day, and has succeeded in piling up a capital account of $69,000,000, and it has a gross annual business of something like $21,800,000. In other words, it takes considerably more than three years to turn over its capital. I ask you, gentlemen, what sort of a business you would be doing if it took you that long to turn over your little capital. Yet the newspapers are brazenly asked to pay a price that will warrant dividends and interest upon this huge bundle of green goods.

I wish you would ask your Congressman to send you a transcript of the proceedings before the so called paper inquiry in Washington last spring, where the confessions of the paper companies make most interesting reading and reveal with exceeding plainness the fact that unless Canada is opened to us the price of paper must continuously go on increasing. Exhausted forests, exhausted water powers and too much high finance have done their work. Just why this burden should be placed upon your backs is a question you can well ask of Congress. You might as justly be asked to have the State of Minnesota pass a law to pay

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dividends of the Calumet and Hecla mine after its deposits of copper ore have been exhausted on the theory that the stockholder has some rights, the fact that the stockholder has been paid dividends continuously for forty years being carefully overlooked.

We cannot perpetuate an exhausted forest; we cannot provide against bankruptcies produced by bad management, nor can we fill an empty river, as we are asked in effect to do all these things, when to our northward are millions of forested acres and every opportunity for profitable and economic paper making.

We ask that this barrier of the tariff be taken down in order that our industry may continue and increase and flourish. We are more important than the paper makers. We are a necessity to the community. The richly rewarded manufacturers of raw material should be permitted to go elsewhere and continue their business prosperously in the future as in the past. They should be released from their present handicaps, and it is in your power to bring this about. Help yourself and you help everybody else.

Statement by the Union Central Life Insurance Company Regarding the Increase of Its Capital.

(Reprinted from Last Saturday's Issue.)

President Jesse R. Clark, of the Union Central Life insurance company of Cincinnati, has issued a statement regarding the recent decision of the directors to issue $400,000 treasury stock from surplus funds accumulated from non-participating policies. The following are extracts:

On December 31, 1907, the total amount of outstanding insurance was $256,564,566, and of this amount the sum of $48,742,437 was issued on non-participating plans, the policyholders not participating in the profits. Under a bylaw of the company, which has been in existence continuously since the year 1873, stockholders of the company are entitled to a semi-annual dividend of 5 per cent., payable from the general funds of the company on the first days of April and October annually, and to further dividends consisting of the profits derived from policies issued without profits to policyholders.

Prior to June, 1908, no dividends other than the semi-annual dividends of 5 per cent. had ever been declared in favor of the stockholders. That fact, however, did not in any way affect or impair the right of the stockholders to the profits from non-participating business, under the bylaw referred to, whenever such profits were shown to exist and the directors deemed it proper to declare dividends therefrom.

Aside, however, from any question as to whether profits from the non-participating business had accrued in the earlier years of the company's history, the fact is that the stockholders of the company have always desired to pursue a conservative course, and adopted the policy of first establishing the financial success and stability of the company on a firm foundation, with an adequate surplus, before undertaking to avail themselves of profits to which they were clearly entitled under the bylaws, in addition to the semi-annual dividends.

Prior to the year 1908 the company had never undertaken to keep separate accounts of its participating and non-participating business, and no accurate calculation had been made showing the amount of surplus, if any, derived from policies issued without profits to policyholders. However, during the years 1906 and 1907 the States of New York, Louisiana, Minnesota, North Dakota, Colorado, Wisconsin and Delaware passed laws requiring that all foreign life insurance companies issuing both participating and non-participating policies should submit with their annual statements separate accounts of profits and losses with reference to each of said kinds of business. These laws were all applicable to the Union Central Life insurance company, and during the present year the State of Ohio has also passed a similar law, requiring separate accounts to be kept of the non-participating and participating business.

Accordingly, early in the year 1907 this company proceeded to inaugurate plans for keeping accurate separate accounts of the two classes of business, and for ascertaining definitely the amount of surplus, if any, derived from non-participating policies during the entire history of the company down to and including December 31, 1907. The work of making these calculations and this separation was very heavy and burdensome. It occupied a considerable force of the office more or less continuously during a number of months. In order to be able to comply with the statutory requirements of different States, if for no other purpose, it was necessary for the company to make a division of the surplus, showing separately the amounts derived from participating and non-participating business as of December 31, 1907.

As a result of the investigation it was found that at the close of business December 31, 1907, the profits derived from policies issued on non-participating plans amounted to $779,788. In making this calculation and arriving at this result, all known elements of doubt were carefully resolved in favor of the surplus from participating business and against that from non-participating business. The methods employed in these calculations were approved by the actuary of the company, and by the special actuary employed on the work, and the results of the investigation were adopted by the directors of the company.

The annual statements rendered by this company to the insurance departments of Ohio and other States for the year 1907 showed a total general surplus of $2,510,619.70, and that $1,630,831.70 was derived from participating business, and $779,788 from non-participating business.

Under the bylaw of the company this sum of $779,788 belonged absolutely to the stockholders of the company. Indeed, without such a bylaw the stockholders would, in the absence of any provision to the contrary, be the sole owners of the profits arising from policies issued without profits to policyholders. This is a proposition of law too clear to require argument. In non-participating insurance the policyholders own no part of the surplus, which is purely the profit of the stockholders. Vested rights of stockholders of a life insurance company are as inviolate as those of stockholders in a bank, a railroad company or other corporation engaged in business for profit.

As stated in my letter of July 6 it became necessary before July 1, 1908, to increase the capital stock of the company by at least $100,000 in order to be permitted to continue in business in the State of California. A similar situation existed in the States of North Dakota and New Hampshire, both of which require foreign joint stock life insurance companies to have a capital stock of at least $200,000. It is true that under the California law and the ruling of the Insurance Department the Union Central Life insurance company would have been permitted to continue in business in that State if policyholders who are not stockholders were given representation on its board of directors. This course could not be adopted because—if for no other reason—it is expressly forbidden by the laws of Ohio, which require that all directors shall be stockholders. The company had no choice but to increase its capital if it desired to engage in insurance business in the three States named.

Inasmuch as it became necessary to make an increase of at least $100,000, it was deemed best by the company at once, without further delay, to increase the paid up capital stock to the amount authorized by the charter of the company, to wit, $500,000. This was accordingly done by the issue of the remaining $400,000 treasury stock pro rata to the stockholders. In taking this action the company anticipated possible future legislative requirements, and at the same time carried out the plan of the company provided for by its charter, and contemplated by the founders of the company as a measure of fair and reasonable profit to the stockholders, who have taken their hazard in the investment of their capital during the forty years in which the company has been in existence.

The policyholders of the company never had any right to, or claim on, any part of the $400,000 thus transferred from the non-participating surplus to capital account of the company. In so far as this particular amount, $400,000, is concerned, the rights of policyholders have not been diminished in the slightest. No policyholder on the participating plan ever contributed a dollar of that amount. Dividends to policyholders are not dependent in any way on profits from non-participating policies.

FIRE INSURANCE AGENTS
CAN GET
LIBERAL COMMISSIONS
ON CASUALTY LINES
PHILADELPHIA CASUALTY CO. PHILADELPHIA PA.

The Agricultural Insurance Company of Watertown, N. Y.

ESTABLISHED 1853.

Assets, January 1, 1908	$2,717,477.10
Total Liabilities, except Capital	1,705,859.80
Joint Stock Capital	500,000.00

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HOME OFFICE OF THE

Metropolitan Life Insurance Co.

INCORPORATED BY THE STATE OF NEW YORK

The Company OF the People, BY the People, FOR the People.

PROOF OF PUBLIC CONFIDENCE

This company has more premium paying business in force in the United States than any other Company, and for each of the last 14 years has had more New Insurances accepted and issued in America than any other Company.

The number of Policies in force is greater than that of any other Company in America, greater than all the Regular Life Insurance Companies put together (less one), and can only be appreciated by comparison. It is a greater number than the Combined Population of Greater York, Chicago, Philadelphia, Boston, St. Louis, Cleveland, Cincinnati and Milwaukee.

ASSETS.

United States, City and R. R. Bonds and Stocks	$81,500,727.38
Bonds and Mortgages	74,620,197.45
Real Estate	19,905,683.43
Cash	5,258,969.45
Demand Loans on Collateral	3,476,500.00
Loans to Policyholders	6,553,375.12
Prem. deferred and in course of collection (net)	4,772,106.25
Accrued Int., Rents, etc.	2,233,904.15
Total	$198,320,463.23

LIABILITIES.

Reinsurance Fund and Special Reserves	$181,775,579.00
All other Liabilities	1,542,371.65
Capital and Surplus	13,951,899.14
Total	$198,320,463.23

Largest Office Building in the World—Madison Avenue, Fourth Avenue, 23d Street and 24th Street, New York City.

SIGNIFICANT FACTS

This Company's Policy-claims paid in 1907 averaged in number one for every 64 seconds of each business day of 8 hours each and in amount $124.95 a minute the year through.

THE DAILY AVERAGE OF THE COMPANY'S BUSINESS DURING 1907:

452 per day in number of Claims Paid.
6,891 per day in number of Policies placed and paid for.
$1,239,393.45 per day in New Insurance placed and paid for.
$162,489.27 per day in Payments to Policyholders and addition to Reserve.
$72,011.34 per day in Increase of Assets.

OFFICERS

JOHN R. HEGEMAN	President
HALEY FISKE	Vice President
GEORGE H. GASTON	2d Vice President
GEORGE B. WOODWARD	3d Vice President
FRANK O. AYRES	4th Vice President
JAMES M. CRAIG	Actuary
FREDERICK H. ECKER	Treasurer
WALTER STABLER	Comptroller
JAMES S. ROBERTS	Secretary
JOHN R. HEGEMAN, Jr.	Asst. Secretary
J. J. THOMPSON	Assistant Secretary
T. R. RICHARDSON	Assistant Secretary
F. F. TAYLOR	Assistant Secretary
FREDERICK A. BETTS	Assistant Secretary
STEWART L. WOODFORD	Counsel
THOMAS H. WILLARD, M. D.	Med. Direct.
AUGUSTUS S. KNIGHT, M. D.	Med. Direct.
W. S. MANNERS, M. D.	Asst. Med. Director
E. M. HOLDEN, M. D.	Asst. Med. Director
I. J. CAHEN	Manager Ordinary Dept.

Paid to Policyholders since Organization, plus the Amount now invested for their Security, $407,462,482.06.
Number of Policies in Force, 9,620,009. Amount of Outstanding Insurance, $1,804,946,581.00.

In its Ordinary Department policies are issued for from $1,000 to $1,000,000 on individual lives, premiums payable annually, semi-annually and quarterly. In its Industrial Department policies are issued on all the insurable members of the family for weekly premiums.

Full particulars regarding the plans of the Metropolitan may be obtained at its Home Office, 1 Madison Ave., New York City, or of its Agents in all the principal cities of the United States and Canada.

SAMUEL GANS, President — LEOPOLD GANS, Vice-Pres. & Gen'l Mgr.

SAMUEL GANS CO.

186-188 WOOSTER ST., N. Y.

New York Chicago Atlanta

Renovators of Fire and Marine Salvages

Telephone: 580 Spring

Stocks handled at lowest percentage consistent with proper results, accompanied always with Cash Guarantee. Our methods fortify adjusters in advance of closing loss.

Always telegraph or telephone at our expense.

Expert advice cheerfully given.

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Home Office: Chicago, 207-209 E. Madison St.

Accident INSURANCE Health

CONTINENTAL CASUALTY COMPANY

CHICAGO, ILLINOIS

The Largest Company in America Writing Accident and Health Insurance only

More and better forms of accident and health policies, issued separately or in combination, than are sold by any other company, including the latest popular winner ANNUITY ACCIDENT INSURANCE

If not now representing an accident company, address:

H. G. B. ALEXANDER, President and General Manager.
1208 Michigan Avenue, CHICAGO, ILL.

QUEEN

Ins. Co. of America.

NEW YORK.

Provident Life and Trust Co.

OF PHILADELPHIA.

The **new policies** of the Provident are unsurpassed for conciseness and simplicity of form and for adaptability and liberality in all essentials.

The premium rates of the Provident are exceedingly low and are still further reduced by large annual dividends.

FIREMEN'S

Insurance Company of Newark, N. J.

ORGANIZED 1855

CAPITAL,	$1,000,000.00
ASSETS,	4,701,068.80
SURPLUS TO POLICYHOLDERS,	3,148,371.45

DANIEL H. DUNHAM, President — CHARLES COLYER, Vice-President
A. H. HASSINGER, Secretary

WHITON & MERGES, Agents, . . 73 William Street, New York
LEWIS & FREAR, Agents, . . . 145 Montague Street, Brooklyn
H. W. BEALS, Suburban Agent, . 76 William Street, New York

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1825. THE 1908.

Pennsylvania Fire Insurance Co.

OF PHILADELPHIA.

Cash Capital	$750,000.00
Reinsurance and all Liabilities	4,096,833 14
Surplus	1,615,283.97
Total January 1, 1908	$6,462,117.11

R. DALE BENSON, Pres. CHARLES W. MERRILL, Asst. Sec.
JOHN L. THOMSON, Vice-Pres. HAMPTON L. WARNER, Asst. Sec.
W. GARDNER CROWELL, Sec. WM. J. DAWSON, Sec. Agency Dtep.

GERMANIA

FIRE INSURANCE COMPANY

NEW YORK.

ORGANIZED 1859.

Cash Capital	$1,000,000.00
Assets	5,185,649.51
Net Surplus	949,260.99

HEAD OFFICE

Cor. William and Cedar Streets.

NOTICE

Insurance Losses and Claims for Damages amicably and satisfactorily Adjusted. Otherwise resisted, defended at Law or in Equity for Companies by

T. F. HANLON

ADJUSTER AND ATTORNEY

BALTIMORE, MD. WASHINGTON, D. C.
CALVERT BLDG. COLORADO BLDG.
(Address Washington. 'Phone: Main 7132).

Twenty-five years' experience Member Bar U. S. Supreme Court.
GO ANYWHERE. OPERATE ANYWHERE.

The Connecticut Mutual Life Insurance Company

Stands alone among the American companies of any note, in having repaid to its members, their beneficiaries and estates, in annuities, endowments, death claims, surrender values and dividends, more than it has received from them in premiums. These are the totals:

Received since organization—1846	$249,356,745.45
Repaid as above noted	253,641,382.54
Excess over amount received	4,284,637.09
Assets December 31, 1907	65,003,271.10
Surplus December 31, 1907	2,326,657.25
Insurance in force December 31, 1907	174,716,005.00

President, JOHN M. TAYLOR.

INCORPORATED 1799.

Providence Washington Insurance Company,

PROVIDENCE, R. I.

Mutual Life Policies

ARE EASIEST TO SELL

BECAUSE

Yearly dividends have been increased for the last three years, 1906-7-8, at a rate equaled by no other company.
Cash values guaranteed in the new life and endowment policies are equaled by few companies.
Attractive features have been added to standard policy forms.
Liberal terms offered producing agents under the 1908 contracts.

For information, address

GEORGE T. DEXTER

Second Vice-President

The Mutual Life Ins. Co. of New York

34 Nassau Street, New York, N. Y.

THE

John Hancock

MUTUAL

Life Insurance Company of Boston, Mass.

Insurance in Force, December 31, 1907, Over $459,000,000

STEPHEN H. RHODES, President.

ROLAND O. LAMB, Vice-Pres.; ARNOLD A. RAND, 2d Vice-Pres.; ROBERT K. EATON, Sup't of Agencies; WALTON L. CROCKER, Secretary; WM. S. SMITH, Actuary; GEORGE L. STIMMEL, General Agent Metropolitan District.

St. Paul Building, New York.

THE

METROPOLITAN CASUALTY

INSURANCE CO. OF NEW YORK

Home Office, - 47 CEDAR STREET

CHARTERED 1874

PLATE GLASS
PERSONAL ACCIDENT POLICIES
AND HEALTH

OF THE MOST APPROVED FORMS

EUGENE H. WINSLOW, President

DANIEL D. WHITNEY, Vice-Pres't S. WM. BURTON, Sec'y
ALONZO G. BROOKS, Ass't Sec'y

RELIABLE AND ENERGETIC AGENTS WANTED

"The Leading Fire Insurance Company of America."

Incorporated 1819. Charter Perpetual.

Cash Capital	$4,000,000.00
Cash Assets	14,884,569.43
Total Liabilities	7,129,963.55
Net Surplus	3,754,605.88
Surplus as to Policyholders	7,754,605.88
Losses Paid in 89 Years	112,036,856.57

WM. B. CLARK, President.
W. H. KING, Vice President.
HENRY E. REES, Secretary.
A. N. WILLIAMS, E. J. SLOAN, E. S. ALLEN, GUY E. BEARDSLEY, } Assistant Secretaries.
W. F. WHITTELSEY, JR., "Marine."

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THOMAS E. GALLAGHER, General Agent.

NORTHWESTERN BRANCH, Omaha, Neb.
WM. H. WYMAN, Gen. Agent. W. P. HARFORD, Ass't Gen. Agent.

PACIFIC BRANCH, San Francisco, Cal.
BOARDMAN & SPENCER, General Agents.

INLAND MARINE DEPARTMENT.

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BOSTON, 70 Kilby St. PHILADELPHIA, 226 Walnut St.

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PENN MUTUAL LIFE

OF PHILADELPHIA

HAS FURNISHED

PERFECT PROTECTION AT PROPER RATES

For 60 Years

Our agents are representative citizens of their respective communities.

Organized 1871

Life Insurance Company of Virginia

HOME OFFICE, RICHMOND, VIRGINIA

J. G. WALKER, President.
T. WM. PEMBERTON, 1st Vice-Pres. W. L. T. ROGERSON, Secretary.

The PIONEER Southern Industrial Life Insurance Company.
The OLDEST Southern Life Insurance Company.
The LARGEST Southern Life Insurance Company.
The most approved forms of Life, Endowment and Industrial Policies issued on favorable terms.

Assets ..... OVER $3,500,000 00
Insurance in force ..... OVER $60,000,000.00
Total payments to policyholders since organization ..... OVER $8,000,000.00

Insurance Co. of North America,

232 WALNUT STREET, PHILADELPHIA.
FOUNDED 1792.

Assets, January 1, 1907		$10,748,864
LIABILITIES—Reserved for Reinsurance and all other claims	$6,705,870	
Capital Stock	3,000,000	
Surplus over all Liabilities	1,042,994	$10,748,864

Agents in all the principal towns and cities.

CHARLES PLATT, President.

EUGENE L. ELLISON, Vice-President.
BENJAMIN RUSH, Second Vice-President.
GREVILLE E. FRYER, Secretary and Treasurer.
T. HOUARD WRIGHT, Assistant Secretary.
HENRY W. FARNUM, Marine Secretary.
JOHN O. PLATT, Assistant Secretary.

Offices in New York: Fire, 51 William St.; Marine, 63 Wall St.

1860 48TH YEAR 1908

HOME LIFE INSURANCE COMPANY

OF NEW YORK.

GEORGE E. IDE, President

ASSETS, $20,004,853.63. LIABILITIES, $19,235,418.20.
(Including Dividend-Endowment Fund)

Dividend-Endowment Fund (Deferred Dividends)	$1,795,020.00
Net Surplus	769,435.43
Insurance in Force	86,193,296.87

The forty-eighth annual report shows a gain in the amount of insurance in force; that assets were increased nearly $1,000,000, and that over $300,000 was paid to policyholders in dividends.

[FIRE]

German American Insurance Company New York

STATEMENT JANUARY 1, 1908

CAPITAL
$1,500,000
RESERVED FOR ALL OTHER LIABILITIES
7,592,685
NET SURPLUS
4,415,353
ASSETS
13,508,038

SAFETY FUND INSURANCE.

NIAGARA

Fire Insurance Company OF NEW YORK.

OFFICE: 185 & 187 BROADWAY.

COMMERCIAL UNION ASSURANCE CO.

LIMITED,
OF LONDON.

OFFICE:
Cor. Pine & William Sts., New York

THE

Union Central

Life Insurance Company of Cincinnati

ESTABLISHED 1867

Has the following unrivaled points of superiority which make its policies easier to sell than those of any other company: Highest rate of interest earned, low death rate, low expense rate—resulting in lowest cost to policyholders. Its new 1908 policies are simple in verbiage and most liberal in provisions. THE UNION CENTRAL has no investments in stocks or bonds.

JESSE R. CLARK, President
E. P. MARSHALL, Vice-President

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The Weekly Underwriter:

AN INSURANCE NEWSPAPER.

VOL. LXXIX. NEW YORK, SATURDAY, SEPTEMBER 5, 1908. No. 10.

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CHARLES A. JENNEY, President and Treasurer. L. ALEXANDER MACK, Secretary.

ON account of oppressive and destructive legislation life insurance companies in large numbers have withdrawn from two States—Wisconsin and Texas. Peculiar conditions are now presented in the politics of both States. In the former the Republican primaries show the defeat of Speaker Ekern, the foremost of the life insurance baiters, for renomination for the Legislature. Milwaukee gives a thousand majority for Abbott, the Madison insurance agent, who is running for the Insurance Commissionership nomination against Beedle, the present incumbent, another of the promoters of the iniquitous insurance laws. While Mr. Beedle may yet secure a majority in the total State Republican vote, it will probably be so narrow that the election of the popular Democratic candidate, William Guilliame, at the November polls will be threatened, and a safer man may be wanted by the Republican State Convention. The outcry of the disappointed ones is that the life insurance companies and agents have exerted their powerful influence against them. Perhaps this is so; indeed it would be natural, and the boomers for a candidate for Governor of New York who is unfriendly to the insurance business should take note. Fifty thousand insurance votes in New York can be made as effective as a proportionate number in Wisconsin. The other significant event in politics to which we have alluded is the adoption of a plank in the Texas Republican platform demanding the repeal of the Robertson investments law, which drove the leading life insurance companies from the State. Political parties do not introduce new issues in elections unless they are satisfied that they can gain votes therefrom. The Robertson law is clearly unpopular in Texas, and the Republican managers are taking advantage of the fact. Their opponents, who are responsible for the law, may not care to stultify themselves by favoring repeal outright, but as "anti-protectionists" in time honored party principle they may well feel queer in defending a law for the protection of the "infant life insurance industries" of Texas.

THE laws of the several States providing for the organization of State departments having supervision over insurance usually define with precision the duties of the office. The New York law of 1892 reads: "There shall continue to be a separate and distinct department charged with the execution of the laws relating to insurance, to be known as the insurance department, the chief officer of which shall be the superintendent of insurance." The Colorado law of 1907 creates the department in these words: "The Insurance Department of the State of Colorado is hereby reorganized and re-established as hereinafter provided as a separate and distinct department charged with the execution of the laws in relation to insurance companies doing business in the State," and the superintendent is required "generally to do and perform with justice and impartiality all such duties as are or may be imposed on him by the laws of the State in relation to the business of insurance in this State." It is the view of the ever alert and enterprising Insurance Commissioner of Colorado, in the paper on "Departmental Practices," which he read at Detroit, and which we reproduce in part in this issue, that an insurance department should be made something more than an instrument for the execution of the written statute; in short, that one of its principal functions should be to receive, examine and advise upon the grievances of policyholders against the companies which have insured them. Mr. Rittenhouse declares that he has put in practice this conception of the duties of a State insurance department by establishing in his own a complaint desk or bureau, to which the public within his jurisdiction may come freely to have their policies explained, their complaints investigated and their proper course advised. This does not mean that a department shall assume the functions of a lawyer or a court in the settlement of claims. But a seeker for information may be counselled as to his rights and form his own conclusions as to the method of redress. The Commissioner considers it a part of the routine of this complaint bureau to communicate with companies with which fault has been found, and bring about, if possible, an adjustment of the differences.

IT will be seen Mr. Rittenhouse's contract is a large one and rather boundless in its possibilities. Indeed, he foresees the objection that may be raised in a much more populous State than Colorado—that a bureau for the hearing and adjustment of complaints by the insured would involve a very heavy increase in departmental work. But he bravely meets the objection by claiming that if adjusting complaints is the right thing for an insurance department to do, no matter if it takes a hundred or two hundred extra clerks to do it, the course is justified. While there can be little doubt that an invitation by Superintendent Kelsey to the constitutional kicker to come to Albany would make work for two hundred extra clerks or more, we suspect that the finance committees of the Legislature would sit down on such a proposition. Even Governor Hughes, the champion of the oppressed policyholder, would veto it. A still more serious objection to the general acceptance of this phase of Mr. Rittenhouse's idea of departmental duty is that the beneficence of his plan would depend on the temperament of the official who would execute it. There can be no assurance that all commissioners will be as fair minded and rational as the Colorado Commissioner. In fact, the insurance business still has a vivid recollection of one Webb McNall, a Kansas official who solicited the filing of complaints against the insurance companies with the department, and ordered

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companies to comply with their demands on pain of expulsion from the State. Such a weapon as a complaint bureau in the hands of a dishonest official might prove lucrative to the official. We agree with Mr. Rittenhouse that even with an official of good intentions it is "a work that must be handled with care."

Facts and Opinions.

Following the adjustment of the **Abraham & Straus fur storage loss** in Brooklyn, some 3,000 women will be paid for their damaged furs, which were being stored for the winter's approach. The loss has been settled for $636,668.92, although the actual damage amounts to $925,250.95, and as a result the customers who undervalued their furs in placing them in storage will lose considerable in some cases. The firm of Abraham & Straus had been in the habit of receiving the furs for storage at 3 per cent. of the value as given by the owners. For this amount they not only stored the furs but insured them against loss from fire, water, moth or theft. A portion of the fee was saved by those people who were willing to undervalue their goods, and this was often done. Separate insurance was taken by Abraham & Straus on the fur storage building at 178 Livingston street, opposite the rear of the department store, the risk being divided among a number of companies. Specific policies were written covering both the goods of the firm and all stored goods in the building, whether goods stored at 3 per cent. of their value or wholesale dealers' samples. There was some controversy in the adjustment as to whether the sound values of the furs destroyed should be taken and the firm be considered as co-insurer with the many owners of the furs or whether, as the adjusters for Abraham & Straus contended, the firm had not insured the goods left in storage, but had insured its liability to the owners, and that its liability amounted to the valuation placed on the goods by their owners. The adjudication of the matter was left to four adjusters, and the committee has now decided that the companies had merely insured the department store firm's liability to those that had used its storage plant, and that the firm's liability was the values placed by owners, except where that value was in excess of actual value, in which cases the liability was for actual value only. As a result of this interpretation the customers of Abraham & Straus will be unable to collect any greater sum than that which they signified as the value of the goods when they placed them in storage, which will be somewhat of a hardship on those who undervalued their property when they placed it in storage. An instance of this sort happened to a woman who put in her $1,100 fur coat, valuing it at $500. She will be unable to collect any more than $500 and so is $600 out of pocket. The circumstances of the adjustment were novel ones, and so excited considerable interest among underwriters, but it is probable that hereafter the reinsurance of guarantees for stored goods will be accepted on a different basis.

The new **monthly income policy** of the **Prudential,** referred to last week, is issued on the whole life. limited payment life and endowment plans, and provides a monthly income of from $10 to $500, only in such amounts as are multiples of $5. The income, which is payable to the beneficiary, terminates at the end of twenty years, but by a slightly increased premium this can be made payable for life. The policies will be issued between the ages of sixteen and sixty-six inclusive, and in the case of women the limit of the amount of monthly income is $10 and $15 only, except in special cases. For men the limit is from $10 to $500, up to and including age fifty; $10 to $400, up to and including age fifty-five; $10 to $300, up to and including age sixty-six. The contract permits a change of beneficiary, has annual cash surrender values after three years, is non-forfeitable after the first year's premium has been paid, contains no restrictions as to residence, and travel or occupation, has liberal revival provision in case of lapse and allows a grace period of one month in the payment of premiums, without interest. The contract is designed to protect the widow and orphan by providing for the financial needs of the assured's dependents after his death by the payment of regular instalments, which will be paid as regularly as the deceased could have received his salary check. It does away with the necessity of a widow finding investment for a bulk sum, which may be swept away by a financial panic, and relieves her of any foreboding as to her income for future years. The investment is as sure financially as the income derived from Government bonds, and the regularity of the remittance is calculated to make the beneficiary feel as independent as if she were the recipient of pension money. The rate at age thirty-five on the whole life plan to insure a monthly income of $10 to the beneficiary for twenty years is $38.76; on the twenty payment life plan, $52.62; on the twenty year endowment plan, $76.16. At age thirty-five the cost to insure a monthly income of $10 through life for a beneficiary of the same age as the assured would be as follows: On the whole life plan, $42.89; on the twenty payment life plan, $57.61, and on the twenty year endowment plan, $88.18.

Further complications have arisen affecting the fate of the **Great Western Life of Kansas City,** which has been in the hands of a receiver for several months. After the Federal court, in whose charge the company was, had asked for bids for taking over the business and assets, and after several extensions had been granted pending charges as to the validity of these bids, Judge McPherson has finally dissolved the receivership and turned the company over to a reorganization committee representing part of the stockholders in the agency company and the holders of annuity certificates. The Missouri Insurance Department holds that this action was taken without considering its wishes, and that it will apply to the State courts for a receiver, provided it will not put itself in contempt of the Federal courts thereby. Superintendent Vandiver declared that no plan of reorganization will be approved that does not provide for taking up the annuity certificates at their face value or providing sufficient funds for carrying out the provisions of the contracts. He figures that at least $450,000 is necessary to restore the solvency of the company. It was stated to the court that over $3,000,000 of business had lapsed since the receivership, and that the reserves released by these lapses would more than offset the increased death claims. Mr. Vandiver says that he will not allow the company to resume business until it has paid its death losses, amounting to $90,000, returned to the subscribers to the new capital stock the amount secured by the old company under that item, and provided for the redemption of the annuity certificates. It is claimed that only about 200 of the 1,800 of Great Western Agency Company stockholders were interested in the court proceedings. The court's ruling gives the holders of annuity certificates twenty days to subscribe for new stock or lose all rights. The reorganization committee has elected the following officers for the company: President, George Stephenson, of Waterville, Kan.; secretary and treasurer, James Chappelle, of Topeka; chairman of the executive committee, Joseph J. Keim, of Kansas City.

Because the Bishop of Manchester deplores the **decrease in the birth rate in Great Britain,** that lively insurance and socialistic contemporary of ours, *Business*, of London, A. Arthur

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Reade editor, utters a resounding snort at the reverend man. The poor bishop and the editor's countrymen get it in this style:

The Rev. Paul Bull, a church parson, used to be the champion slogger of married women. But he will now have to take a back seat in favor of Dr. Knox, Bishop of Manchester. Like Paul Bull he thinks England is going to the devil, because the birth rate is going down. Addressing a great gathering of men at Blackpool he is reported to have said that "the English race in all parts of the world was committing race suicide. Births were going in proportion down, down, down at a terrible rate. He appealed to them to save the nation, their homes and their manhood." What is the meaning of manhood in this case? That the nation wants saving, we frankly admit, but it's not going to be saved through the manufacture of babies. England is enormously over-populated; in fact it could very well spare 10,000,000 of people. Our workhouses are packed with paupers, our prisons with manufactured criminals, our streets with a crowd of starving men and women. "No work" is the cry everywhere. Scores of suicides occur every week; in fact we are unable to count them. And yet the bishop wants more babies! Will he keep them? Will he provide them with a home when the bread-winner goes to glory? If he is married let us know the size of his family. The Bishop of London howls against social impurity; the Bishop of Manchester wants to increase it. If married women do not want babies what right has Bishop Knox to interfere? It is their business, not his. All honor to the women of England who decline to burden themselves and their husbands with families. It is a struggle for most men to support a wife, to keep their head above water, to pay their way from week to week. The bishop must remember that working men do not live in a palace, and receive an income of thousands a year, but have to "rub" along on a pound a week. He must remember that this is a blood sucking age, where a master pays, not as much as he can, but as little as he can. And if one worker drops out of the race there is always another ready to jump in his shoes. Moreover the cost of necessities has gone up 50 per cent. during the past thirty years, while wages have gone down to starvation point. The bishop was evidently hard up for something to talk about. Talk is the curse of this age. If Dr. Knox would talk less and think more the world would be much better than it is today. We plead for common sense.

The losses on grain involved in the recent **Armour elevator fire** has been settled, but with some unusual features. In Elevator F the value was fixed at $587,291, with insurance of $497,000 and a loss of $486,718, a little under 98 per cent. The salvage was sold to Armour & Co. for $100,570, its bid being by far the best that could be secured. Armour & Co. at once resold the salvage to the Chicago House Wrecking Company for $90,000. It is explained that the insurance adjusters crowded the Armours hard for a liberal offer on salvage, and as the Armour interests have large insurable values and wish to maintain the good will of the companies, that they may cover their values, they made a concession, which is shown by their prompt reselling of the salvage for over $10,000 less. On Elevator E the sound value was fixed at $205,500, with insurance of $218,000 and a loss of $202,430, or a little less than 95 per cent. The large loss here was due to the fact that in a million bushel elevator the stock was unusually small, so that it was more subject to attack by fire. On the Union elevator the sound value was fixed at $564,861, with insurance of $692,250 and a loss of $6,354, or less than 1 per cent. The building losses have not yet been settled.

As a result of the **fire in New Orleans** last week resulting in a loss of $1,400,000, insurance rates in the Southern city will undoubtedly be increased, and it is also likely that several of the fire insurance companies will withdraw from a field which has been so unprofitable to them. The fire department was at the annual picnic at the time that the fire broke out, and it was some time before any effective means was found of fighting the fire. The water pressure proved a serious detriment to the work of the men, as only about 38 pounds of pressure was available. The first stream was in operation about twenty-five minutes after the alarm. The buildings of the burned area were of very poor construction, there being only one building of fireproof construction in the burned district. The business headquarters of sixty-two concerns were either badly damaged or destroyed. An investigation as to the causes of the fire are being made by the State fire marshal. Owing to the picnic the fire apparatus responded with only half crews, and an investigation of this fact will also be made.

The *Insurance World* has little faith in the permanency of most of the **swarm of new life insurance companies.** It says:

That there will be a windfall among the newer organizations seems almost a certainty. The appeal to local pride, together with the prestige from a scattered directorate will enable a small initial volume to be placed on the books, but not nearly sufficient to sustain the organization in the way of current expenses. The temptation to buy business at a heavy cost presents itself and few new managers are able to avoid falling into the snare which can only mean failure. Working board or special schemes, issuing income certificates, establishing agency corporations, selling stock and other devices can but postpone the day of the inevitable at best. As there are upward of a hundred institutions scattered at various points throughout the country that are being operated along these lines, it requires no prophetic genius to foretell the ultimate result. Life insurance cannot be secured excepting through a competent, energetic agency staff. Competition has brought the price of life insurance to a figure where there is no margin for the sustenance of expensive management, and if the latter be a feature disaster is sure to come. Many field men learn after being in charge of the home office of a newly organized life insurance company for a brief period that the task is far more difficult than apparent when viewed from the field.

In an interview at Berlin, Germany, Charles Lyman Case, the United States manager for the London Assurance Corporation, comments thus on **American fire insurance conditions,** from the European point of view:

European insurance companies are filled with a growing alarm over the unceasing frequency of great conflagrations in the United States. They no sooner roll up a little money than along comes a San Francisco or Baltimore or Chelsea fire, and more than wipes out the earnings. America's fire roll has placed a heavy balance on the wrong side of the European companies' books, for the premiums they get are barely sufficient for a small conservative profit without conflagrations. They only continue to operate in the American field because the competition over here is so close that they hunger for the volume of premiums coming from America, hope springing eternal in their breasts that new building laws, better fire departments, and extended use of sprinklers may even yet turn the American situation in their favor. The insistence of American juries upon editing the earthquake clause into fire policies also causes European underwriting corporations great alarm. They consider it a wholly arbitrary practice and a violation of the principles of equity.

In the Superior Court at Hartford, Conn., on Monday final orders and decrees were passed by Judge Curtis in the final accounting of Frederick A. Betts, receiver of the **National Life Association.** The receiver is instructed to retain out of the funds on hand $800.45. Gross, Hyde & Shipman, law firm, is allowed $6,085.61, and the receiver is allowed for his services from July, 1899, to July, 1908, $14,000. The court allows the following claims against the association: Death claims, amounting to $162,452.78; general claims, $5,189.34; claims for unearned premiums, $53,920.39; total, $221,562.51. It is ordered that all of the above claims, aggregating $221,562.51, are entitled to share parri passu in the distribution of the assets of the receivership without preference of any. A dividend of 7.735 cents on the dollar is ordered paid to all whose claims are allowed without interest or costs.

The **fire insurance course** at the **New York University** School of Commerce and Finance, for the year 1908-9, will begin on September 24, in charge of E. R. Hardy, of the New York Fire Insurance Exchange, whose conduct of the course last year and the preceding year was so successful. The course includes lectures on building construction, with instruction on proper methods of building and the building

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materials most useful, from the fire insurance viewpoint. Inspecting, rating, the office management of insurance companies, loss adjustment and brokerage matters will all be taken up, while Saturday afternoon inspections will be included to illustrate the points brought out during the week. Prominent underwriters will also address the class from time to time during the session.

The interest of the estate of the late St. George Kempson in the **New York Insurance Journal** has been purchased by Mr. Louis N. Geldert, and he has become sole owner of that property. The journal is one of the older of the insurance papers of the United States, having been established in 1862 by the Slater Brothers. It has always maintained a respectable standing, and when the late Mr. Kempson became proprietor he infused a good deal of additional life into it. Mr. Geldert is one of the most popular and capable of journalists, and his long experience in the business, coupled with his activity as a promoter, ensures the prosperity and influence of the *Journal* under his control.

The insurance commissioners of fourteen States have sent a signed letter to Arthur G. Langham, of Louisville, the new president of the **Provident Savings Life,** suggesting that it would be advisable for the company to invite the co-operation of policyholders by allowing them to name at least five of the directors, the selection to be made under some plan to be adopted by the policyholders. The decision to send such a letter was made at the meeting of the insurance commissioners in Chicago last week. Insurance Superintendent Otto Kelsey, of New York, did not sign the letter because he had already expressed views in favor of policyholder representation.

That a section in the **Indiana** law that a company which **transferred** its action in case of **suit** from the State to Federal courts should be barred from the State does not apply to insurance companies was the opinion given a few days ago by the Indiana Attorney General, James Bingham. Although the law in question was not a new one, the issue has never been passed upon previously. This decision should clear the air some. The Attorney General quotes an opinion by the Supreme Court in which it is declared that insurance companies entering the State and complying with conditions imposed do not come under the requirements of other statutes.

The **Missouri State Life** has been examined by the Missouri Insurance Department, acting also in behalf of Kansas. The figures were brought up to June 30, showing gross assets of $1,385,273 and admitted assets of $1,284,450, with a surplus of $87,496. The income for the first six months of 1908 was $375,064, of which $343,717 was from premiums, with disbursements of $236,882, of which $59,688 was for death claims and $90,493 for commissions. The Insurance Department is now appraising the securities of the company. Reductions are being made in the scale of agents' commissions, but the report says that further reductions should be made.

Among the speakers at the annual meeting in Chicago on October 7 and 8 of the **Fire Underwriters' Association of the Northwest** will be E. W. Beardsley, of Hartford, president of the National Association of Local Fire Insurance Agents, whose subject will be the "Business of Fire Insurance from the Viewpoint of an Eastern Local Agent." The subject of "National Finances" will be discussed by Hon. James A. Tawney, of Minnesota, chairman of the Committee on Appropriations in Congress. The annual address will be delivered by United States Manager E. G. Richards, of the North British and Mercantile, as previously announced.

The statement is made by William Hepburn Russell, one of the receivers of the **Mutual Reserve Life,** that the assessment policyholders of the company are not joining the American Temperance Life Association in the numbers which were expected by the officers of the latter company when they made the agreement to take the business without medical examination, but with the accrued liens on policies. It also is asserted that the Postal Life of New York, which agreed to take over the legal reserve policyholders of the Mutual Reserve, has not been as successful as was expected. The time in which policyholders may file claims has been extended to December 31.

Some opinion—probably a good deal—in Texas is at variance with that of Insurance Commissioner Love about the **Robertson life insurance investments law.** The El Paso *Herald* declares:

> A demagogical attack on the insurance corporations has already resulted —among other things—in depriving the State of many millions of loanable capital that would otherwise have been available; in increasing the cost of insurance to the people; in depriving them of the benefits of the strongest companies in the world, and in reducing by more than 50 per cent. the inducement to thrift and to reasonable provision against calamity that formerly existed, with many companies actively competing and canvassing the field.

The Mutual Life's holdings of the stock of the **United States Mortgage and Trust Company,** which a year ago were sold to a syndicate headed by George M. Cumming, who at that time was president of the trust company, have reverted to the Mutual Life on account of the failure of the syndicate to complete its purchase. The Mutual is therefore once more in full control of the trust company stock, with the exception of 1,200 shares. The Mutual Life's holdings of the stock amounted to a par value of $1,073,600, the market value of which at the time of the sale was placed at $450 a share, equivalent to $4,831,000.

Special Agents' and Adjusters' Handbook is a new publication from the press of the Spectator Company, written by George Velten Steeb, author of several standard works for fire insurance agents of the same character. It is intended to be a practical manual on special agency and adjusting service in the fire insurance field. It covers all phases of the work, and also deals with definitions, national board rules and requirements, and defects and their remedies. The fire insurance contract is treated at length. Bound in flexible leather, the book can be had from the publisher for $1.50.

Four officers of the **Gibraltar Beneficial Society** of Pittsburgh, John S. Fouse, president; Frank Fouse, vice president; M. L. Summers, secretary, and D. H. Mapes, superintendent of agencies, have been held on the technical charge of conducting an insurance company without registering with the Secretary of the Commonwealth of Pennsylvania. The men were arrested on a charge of fraud some weeks ago. Evidence has come to light that the concern did a large business, trading in the advertising of one big company and the names of prominent life insurance men.

The **Chicago agents of the Mutual Life of New York** led the entire country during August, which was made Dexter Month in honor of Vice President Dexter. The company asked for $25,000,000 of business, of which Cook County was to produce $1,200,000. It wrote over $1,300,000, producing $440,000 in the seven days set apart as Illinois Week. In

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August of 1904, before the reaction in life insurance set in, the Chicago office wrote but $600,000. The central division, covering about one-fourth of the country, was asked for $6,000,000 and wrote $7,112,000.

The **Alliance insurance company of Philadelphia** has begun the writing of **automobile insurance** with a policy which covers anywhere within the limits of the United States and Canada, and which can be extended when so desired to cover in foreign countries as well. No restriction is placed on the use or storage of gasoline, and the policy also includes the risk of fire originating within the machine. The policy issued is a valued one, as the value of the machine is agreed on when the policy is issued. There is no coinsurance clause.

The closing day of the annual meeting of the $100,000 Club of the **Illinois Life,** held at Atlantic City, was shadowed by the drowning of one of its members, Ezra N. Garber, of Holton, Kan., who was caught in the undertow. Mr. Garber was forty years old, left a wife and three children, and had $5,000 in life insurance, taken out in the Illinois Life within the past few months. The company attended to all the official details, and sent a representative through with the body to the home at Holton.

The **International Association of Fire Engineers** at its convention at Columbus, Ohio, last week decided to meet next year at Grand Rapids, Mich. Fillmore Tyson, chief of the fire department, of Louisville, Ky., was unanimously elected president; George W. Horton, chief of the fire department of Baltimore, first vice president; John Thompson, Toronto, Canada, second vice president; James McFall, of Roanoke, Va., secretary. Treasurer D. C. Larkens, of Dayton, Ohio, was re-elected.

The **German Mutual Life of St. Louis** has paid off two ordinary life policies issued before the Civil War, under a resolution of the board of directors passed at that time to pay off the policies in case the insured attained the age of eighty. Both were held by F. L. Schmid, who was paid the face value of the policies, having reached the age of eighty. To offset this the policies had no surrender, extended or loan values, and imposed strict territorial limitations for residence.

The **Sun of London** has completed the reorganization of its **Northwestern field,** made necessary by the retirement of F. K. Lundy, to enter the agency business with his father at Williamsport, Pa. Charles G. Stone, who has been an examiner in the Western department, has been promoted to special agent for Minnesota, North Dakota and part of South Dakota. O. W. Chapin, who was Mr. Lundy's assistant, will have Nebraska, Wyoming and part of South Dakota.

An account is given in London *Business* of the organization of an **Octogenarian Circle,** composed of persons eighty years old and over of both sexes. A preliminary meeting was held at Leigh-on-Lea, the host being Mr. J. Heyward, who celebrated his eighty-sixth birthday thus, and his guests all being over eighty years of age. Among them was Mr. W. Hurd Smith, a director of the United Kingdom Temperance and General Provident Institution.

The 1908 edition of the invaluable **Surveyor Insurance Directory** of the States of New York and New Jersey has made its appearance, price $2, to be obtained of A. G. Hall, 56 Pine street, New York. It contains the names and addresses of insurance companies, agents and brokers in the States above named. Also county and local underwriters' organizations, with names of officers and committees of use to all classes of underwriters.

The adoption of the National Building Code by the city of **Charleston, S. C.,** and the increase of the fire protection features in that municipality were the cause of the recent appeal by the city authorities to the South Eastern Underwriters' Association for a **reduction in rates.** A delegation from the Charleston city council will discuss the matter with representatives of the underwriters' body.

Application was made at Scranton, Pa., August 26, for a charter for the **"National Association of Life Insurance Agents,"** the purpose of which it is stated to be "beneficial and protective," with headquarters at Scranton. The title is so much like that of the national organization of life insurance agents that the "purpose" of the Scranton affair may excite suspicion.

The Attorney General of **Oklahoma** has given an opinion to Governor Haskell that fire insurance companies have a right to purchase **advisory estimates of rates** from an independent bureau, provided there is no agreement or conspiracy to maintain them. As a result of this it is expected that an advisory rating bureau will be established in Oklahoma within a few months.

There is little doubt that **Insurance Commissioner Reau E. Folk,** of Tennessee, will succeed himself as State Treasurer and ex-officio Insurance Commissioner, as such opposition as there was to his renomination appears to have disappeared. It is not believed that the separation of the office of Insurance Commissioner will be effected at present.

Suits to place two concerns in a **receiver's hands** have been started by the Illinois Insurance Department. They are the **Alliance Life insurance company,** a Chicago assessment concern, and the Preferred Life assurance company, which is represented as having assets of less than $1,000 and unpaid death claims of $39,696.

The new firm of brokers, **E. K. Beddall & Co.,** has opened offices on the fourteenth floor of the German American Building, at 1 Liberty street, New York, for general insurance. E. K. Beddall, the well known underwriter, formerly with Hall & Henshaw, is president; L. E. Thayer is secretary and treasurer.

Now that the **high pressure system in Winnipeg** has been completed, the city is turning its attention to improving the ordinary water pressure. It is planned to install engines that will permit this to be maintained at 80 pounds, which will be a considerable improvement over the present pressure.

The **Industrial Life Association of St. Louis** is being organized to have a capital stock of $200,000. It proposes to reinsure the business of the Industrial Benefit Association, now working on the fraternal plan, and will write both ordinary and industrial insurance.

The Illinois license of the **Columbia Life of Cincinnati** has been revoked by the department for the removal of suits from the State courts to the Federal courts. The suits were those brought by the former general agents of the company for alleged violation of contract.

The organization of a fire insurance company, with resources of a million dollars, is **proposed at Nashville, Tenn.,** in spite of the high loss ratio of the State.

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The headquarters of the **Scottish Fire of Fayetteville,** N. C., have been moved to Charlotte, where there are better facilities for conducting the company.

The Aachen and Munich has been elected to membership in the South Eastern Underwriters' Association.

The **California insurance company** of San Francisco has entered New Jersey.

Personal.

AGENCY APPOINTMENTS.

American Surety of New York: Werner Opes, acting manager at Louisville office.

Atlas of London: Raymond & Raymond, sole agents at Detroit, Mich.

Continental of New York: J. T. Dargan, Jr., inspector and assistant special agent in the Southeastern field.

Empire State Surety of New York: Earls & Johansing, of Cincinnati, general agents in Cincinnati and sixteen adjacent counties.

Firemens Fund: W. H. Markham & Co., St. Louis, Mo.

People's National of Philadelphia: Dooley & Co., of Portland, general agents for Oregon.

Girard Fire and Marine: J. Russ Semple, special agent for New York State.

Illinois Surety of Chicago: George Lord, of Detroit, State agent for Michigan.

North American Accident of Chicago: Arthur Hylton, manager for western Pennsylvania.

North British and Mercantile: Leslie C. Stire, of Lincoln, special agent for Nebraska.

Westchester Fire: L. E. Guntrum, Chicago, transferred from E. C. Harding.

Mr. F. D. Prentice, secretary of the Ohio German, has returned from an extended tour of the Pacific Coast, during which he reorganized the company's department there. Ralph G. Johns, who was for twelve years assistant secretary of the Central Manufacturers of Van Wert, and who removed to Los Angeles because of his wife's health, has been appointed manager of the metropolitan district, in addition to the changes previously announced.

Mr. Henry S. Munson, manager for the Ætna Life insurance company for western New York State, with headquarters at Buffalo, died there August 27, from Bright's disease, aged seventy-one years. He practiced law several years before entering the life insurance business, which was in 1863, and he became one of the best known life underwriters of the United States.

Mr. William H. Norris, for many years a prominent fire insurance agent of Boston, and for the past three years associated with Dewick & Flanders, died on Thursday after an illness of five days. He was seventy years of age, and had for forty-five years been a well known figure among the local fraternity.

President Fred M. Blount, of the Illinois Surety of Chicago, is preparing to make a tour of the leading agencies that he may become personally acquainted with the company's representatives. Mr. Blount will undoubtedly strengthen the company by increasing his personal acquaintance with the agents.

Mr. J. W. G. Cofran, of Cofran & Dugan, Western managers of the Hartford, who has been at Carlsbad, Germany, for several weeks undergoing treatment for stomach trouble, has gone to the mountains with the assurance of the physicians that he is completely cured.

Mr. W. T. Price, manager of the fire department of the North British and Mercantile at London, has resigned, to take effect September 30. He will be succeeded by L. Sinclair, assistant manager.

Mr. E. E. Roney, one of the leading agents at Richmond, Ind., has been expelled from the local board, having been convicted of his third offense against the anti-rebate and rate cutting rules.

Mr. Fred J. Kinsey, chief clerk in the legal department of the Allis-Chalmers Company at Milwaukee, has been appointed resident secretary of the American Surety of New York at Cincinnati.

President Charles Jerome Edwards, of the National Association of Life Underwriters, was the guest of honor at a luncheon given by the San Francisco association today.

Mr. Eugene Pillow, a prominent insurance man of Columbia, Tenn., member of the firm of Pillow & Sheppard, died suddenly on August 31 of heart trouble.

Mr. E. M. Garber, life insurance agent at Holton, Kan., was drowned while bathing in the surf at Atlantic City, N. J., August 29.

Mr. Ira W. Canfield has resigned as Ohio State agent of the Agricultural of America of Newark because of ill health.

Casualty and Surety Insurance.

In a brief submitted by the Board of Casualty and Surety Underwriters, at the Detroit meeting of the Insurance Commissioners' Convention, the reasons are given why the leading casualty companies fail to see the need of **standard forms of accident and health policies.** It begins by stating that there is no general demand for such forms as few suits involving the form of the policy contract come up at all. If a customer cannot find the form he needs in one company another one is certain to be able to satisfy him. It is contended that no advantage can accrue to the policyholder through the adoption of a standard form. Besides, there is not as yet, owing to the youth of the business, sufficient data from which to evolve a standard form. The point is made that no parallel can be drawn between the forms of life and fire policies and those for accident and health contracts in this connection. While the forms of life policies are based on exact and known data relating to interest, mortality and expense, the accident and health business is as complicated as are the causes and results of accidents and illnesses. Another difference arises from the fact that accident and health policies are issued annually, ended annually and renewed annually. Among the obstacles in the way of a standard accident and health form are the facts that no organization exists which could bring about a unification of forms in the various State Legislatures, and that if such forms were adopted there would be no guarantee that first one State and then another would not alter the adopted form, and thus destroy the uniformity. If one State, say New York, adopted a standard form the domestic companies would be hampered in competition with the companies of other States which had no such standard forms. Policies would also have to be changed from time to time to meet the decisions of the courts, while the rights of an organization would be abridged because it writes accident and health insurance when the terms and provisions of its contracts are really governed by public demand. The further ground is taken that such uniformity would tend to encourage paternalism, at the same time failing to eliminate the harmful effects of competition. In case of the issue of standard forms, competition would be all the more severe as to rates and commissions of the agents. The claim is made that the forcing of standard forms would deprive the insuring public of many advantages. Competition has made changes in the form of the contract from time to time, mostly in the interest of the policyholder. Each additional benefit conferred from time to time has been the subject of careful consideration as to whether the additional loss incurred by reason of it will carry the cost to the point where the safety of the policyholders at large would be imperilled. The case is cited of one big company where the policy form of twenty years ago contained six lines of the insuring clause followed by fifty clauses excepting specific causes of accidents for which a claim would be barred, while the typical policy of today containing a similar insuring clause is followed by forty-five clauses, extending the benefits, and by one paragraph containing the manner of proof of claim. Now it is possible to issue forms applicable to the conditions of persons who would not be acceptable unless under a special form, owing perhaps to bodily infirmities, or other disability. Competition may be relied on under these conditions to compel the companies to give the most liberal forms that can be written for the premium charged. The insured is able to pick out the form of contract for which he can pay, and which is most acceptable to his judgment. The above considerations would not enter into the business in case of a standard form being compulsory. Everything would be uniform and the policyholder would have no chance to obtain a policy especially suited to his needs.

The **correlation between accidents and age** is discussed in the current issue of *Mutual Interests*, which says: "Companies which insure against accidents usually provide for the termination of all policies at age sixty or sixty-five, declining to renew old policies or issue new ones after the age limit fixed. The theory is that old persons are more liable to accident

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than those that are younger, and also that in the case of aged persons accidents are liable to result more seriously than with younger people. There is no question as to the latter fact. Old bones not only break more easily than young but they are much slower in knitting together. Likewise, persons of advanced years have less vitality and recuperative power, so that injuries of various kinds are liable to be longer in healing. Moreover, as age creeps on, a serious injury to any part of the body is more liable to develop any latent difficulty or disease that otherwise might have been deferred for years. The theory that accidents are more frequent in old age, however, is not so clearly established. Old persons are far more careful in getting about and are less venturesome in all ways than the young and impulsive. The latter take chances time and again that older persons would avoid. The *Post Magazine* of London publishes a letter from a British manufacturer, Sir John Brunner, in which the writer presents statistics tending to show that accidents constantly decrease in number as age advances, in the case at least of employees of factories. His letter is one of much interest, whether his conclusions be generally accepted or not." The following extracts clearly state his position:

The number of men employed is on the average 3,848, and the statement given below covers the fifteen years from 1893 to 1907 inclusive, in the case of four works, and for the eight years from 1900 to 1907 inclusive in the case of one:

Ages.	No. of Men.	Percentage of Accidents Per Annum.
18-25	633	8.5
26-30	533	6.8
31-35	616	4.2
36-40	656	3.6
41-45	531	2.8
46-50	382	3.7
51-55	251	2.4
56 and over	246	2.4

Sir John Brunner contends that these figures "show that the proportion of accidents becomes less and less, with remarkable regularity, as the men advance in years, and therefore that no employer is justified, in his own interest, in refusing to take elderly men into his service or in dismissing them from his service, in the belief that they are more liable to accident than their younger brethren. The reduction in comparative liability to accident is in exact relation to the increase in steadiness due to increase of age; it begins at the very beginning, not at the age at which men may be excused from dangerous work on account of lessened activity."

Unusual accidents of the week are as follows: While operating a dish washing machine, a man brought the handle of an iron pot into contact with an electric light switch and was electrocuted; stepping on a match while emptying alcohol from a barrel into a bottle, a drug clerk ignited the match which set the liquid on fire and nearly caused his death from fire; tripping on a banana peel on the sidewalk, a man was thrown against a plate glass window, which broke and cut him badly; while arresting a man on the board walk at Atlantic City, a policeman fell from the walk and sustained a broken leg; caught in the wheels of a thresher into which he was thrown when the team he was driving became unmanageable, a Pennsylvania farm hand had his left leg fractured in several places; while playing on the fire escape outside his parents' apartment, an eight year old boy fell 70 feet to the ground and was killed; a small boy had his eye torn out by a nail on the end of a string when captured by some other boys who were emulating Wild West tactics; while riding in a trolley car across a bridge, his arm meanwhile hanging outside the widow, a man had the limb fractured by it coming in contact with an iron beam; the upsetting of a gasoline stove by another boy with whom he was playing nearly caused the death of a Freehold, N. J., lad, who was burned from his ankles to his abdomen; a five year old girl was terribly scalded by hot starch when she pulled off the tablecloth on which stood a pan containing the liquid; a bull being transported by rail for exhibition at a county fair broke loose from its fastenings en route and gored its keeper to death; because he refused to jump over a bonfire which his playmates had kindled, a boy was thrown into the flames and died from his injuries; a horse trainer was thrown and kicked over the lungs while exercising a thoroughbred and died instantly from his injuries; a wealthy Wall street broker was badly injured while on a hunting trip in Canada by the explosion of his gasoline launch, his hands were mangled, his face burned and the sight of one eye endangered; the engineer of a steam stone crusher was caught in the belting of the machine and was whirled around till life was extinct; a young child fell out of bed and broke its collarbone; a horseback rider received injuries consisting of a broken leg and severe cuts and bruises when the animal he was riding slipped on the Belgian blocks in the street and rolled on its side; a Hartford man was slowly strangled to death when he fell asleep with his neck resting on his arm; an areonaut exhibiting at a county fair sustained almost instant death after a fall of 500 feet from his burning balloon; a two year old girl was near death from poison when she drank a mixture of camphor and gasoline which had carelessly been left near by; a Chicago man died from injuries received when he walked out of an open third story window at his home.

Suit has been filed in Washington, D. C., against the Life Underwriters' Company of America by the **receivers,** Eugene A. Jones and James M. Proctor, of the **Capitol Life of the United States,** for the recovery of the assets belonging to the insurance company. A stockholder, George R. McLean, in the defendant corporation is also suing the company in his own right. The petitioners seek the appointment of a receiver to take charge of the assets of the Life Underwriters' Company. The troubles of the company, which so far has existed only on paper, have been numerous. The Capitol Life was incorporated December 27, 1905, with $250,000 capital, which was later reduced to $100,000. The petitioners assert that William MacDonald, president of the Capitol Life, ran things to suit himself, and on being questioned as to the assets of the company, informed the receivers that all moneys of the life insurance company had been turned over to the Life Underwriters' Company, and so commingled with the assets of the latter company as to be incapable of identification. On the other hand, the petitioners aver the underwriters' company has never carried on the business authorized by its charter. Sumptuous offices and high salaried officials have nevertheless been maintained in Philadelphia, all of which it is charged has been paid for out of money received from the sale of the stock of the life insurance company. George R. McLean, a stockholder, one of the complainants, states that he believes all the assets of the company have been dissipated. Justice Barnard has signed a rule as to the receiver.

The **Maryland Casualty** of Baltimore has ready for issue a new boiler policy, a new flywheel policy and a **combination boiler flywheel policy,** unlike anything now sold. The combination policy is drafted in the interests of economy, as the time and expense of the traveling inspectors will be reduced by killing two birds with one stone. The assured is given his choice under these policies of having the company settle first either the claims for personal injury, the property loss of the assured, or the property loss of others. It is also required that the company defend at its cost, in addition to the limits of the policy, every suit brought against the assured unless such suit be settled by the company. Another para-

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graph gives the assured the privilege of settling claims for bodily injuries on the basis of lost wages and reasonable medical attention, this being at the company's expense. The clause also provides for the settlement of disputed property loss, if there should be a disagreement, by the choice of disinterested appraisers, who in turn choose an umpire to decide upon any possible further disagreement. No short rate premium will be charged if the assured cancels his policy because of his retirement from business, such cancellation being pro rata, and in no case must the assured pay the cost of inspection upon cancellation. The seventh paragraph of the boiler policy provides a very broad coverage, the fittings and connections of the boilers insured being included, as is the main steam pipe from the boiler to the throttle valve of the engine. The absence of warranties should make the contract popular with the assured. The assured agrees to nothing, but the company finds through the agent and the inspector the necessary facts upon which to base the insurance, and the only consideration is the premium.

Whether **agents** are **still stolen** in the commercial accident and health field may be an open question—anyway statistics are not at present available. However, the *Agents' Record* of the Continental Casualty of Chicago claims immunity in this matter for the industrial field. It says:

It is almost a thing of the past—agent stealing. So far as the business of industrial accident and health insurance is concerned, it has been a long, long time since a case of agent stealing has come to our notice. Those in the management of industrial companies have come to a full realization that the stolen agent is a luxury quite dispensable, and that the payment to him of a possibly larger commission than is paid to tried and true workers whose loyalty is such that they cannot be debauched by glittering offers is only the beginning of an expense which must render his agency an unprofitable one. The stolen agent is a luxury; he has his own ideas of his worth, and they mean many an unpleasant moment for the misguided agency manager whose unhappy lot it is to deal with him. He is, in his own estimation, a star of the first magnitude; he is the ne plus ultra of insurance agents; he has but to express his wishes, and the home office force of his company falls over itself in its anxiety to make them actualities; he is "the whole cheese" in his agency, which is It, and his company is merely an adjunct for his convenience, which he tolerates that he may be saved the annoyance of paying his own taxes. The concessions that he demands, the laws that he abrogates, and the faults that he finds are as multitudinous as stars in the Galaxy, leaves in the forest or sands on the beach. In return for the privilege the stolen agent accords his newest company of engaging him, he "twists." Twisting has recently been receiving some official attention, and the lot of the twister is not to be altogether a pleasant one. It has long been known that neither the twister nor twisted business was of value, but always there is to be found by the twister's ingenuity a manager who prefers his experience at first hand, and hence the twister has remained in the business.

A **"hold-up extension" rider** is being attached to all old and new **bank burglary policies** issued by the National Surety of New York, which pledges payment of loss in cases where the burglars compel by force any officer of the bank to open the safe or vault. The need for such a clause was demonstrated recently in the West, where a bank officer was compelled to open the vaults of the bank by the robbers, which contingency was not covered in the bank burgarly policy protecting the bank, and liability was promptly denied by the insurance company. Complaints of this nature were made to the American Bankers' Association, and the official paper of the organization took up the matter. The rider adopted by the National Surety to improve these conditions reads as follows:

The insurance under this policy is hereby extended to cover direct loss by robbery of money, bullion, bank notes (signed or unsigned), checks, uncanceled postage and revenue stamps, express, postal and bank money orders, bonds, debentures, negotiable securities, certificates of stock, demand and time drafts, promissory notes (not overdue), caused by burglars or robbers compelling by force and violence any officer or employee of the bank to open the safe or vault at any hour of the day or night during the term of this policy.

The Republican candidate for President, William H. Taft, made the following statement as to his reasons for disapproving any plan to **guarantee deposits in national banks.** He says:

The fundamental objection to the proposed plan to guarantee deposits in national banks is that it puts a premium on reckless banking, and is an inducement to reckless banking. Relieved of the responsibility to and the fear of his depositors, the tendency would be to induce on the part of the banker exploitation, manipulation and the use of assets of banks in a speculative way. It would promote speculation at the expense of his fellow bankers, and that ultimately means at the expense of the depositors. Any proposition as to the amount of the tax that should be assessed as based on the present rate of loss is on an erroneous basis, as the danger of loss of deposits is increased vastly by the proposed system, so that the percentage of the tax would have to be vastly increased. Mr. Bryan did have a guaranty, the Government to raise the funds to pay the tax, but the Democratic platform provides for an enforced insurance which compels all national banks to contribute to the insurance fund to meet the defaults of the speculators. I am told that such a law was in force in New York, and that the result was that when a panic ensued, the tax having been improperly calculated, there were not sufficient funds to pay the loss, but this I have only on the authority of a well known writer on the subject.

As a result of the recent conferences of surety officials to co-operate along lines of uniformity of practice in the business, steps are being taken for the formation of a permanent **organization of surety underwriters.** A meeting was called at the Manhattan Hotel, New York city, yesterday, and was in session when this paper went to press. Steps are also being taken by surety agents in the various centres to form local boards for the general improvement of the business. Some progress along these lines has already been made in Cleveland, Chicago, Detroit, Atlanta and at several other points.

The **Fidelity and Casualty** of New York has appointed George Lambert Smith, who has been general accountant at the home office for the past two years, as assistant superintendent of the personal accident, health and physicians' liability department, succeeding H. H. Behse, who resigned, to join the United States Health and Accident of Michigan. Mr. Smith served with the Chicago branch office from 1902 to 1904, and later was transferred to the home office.

The president of the Convention of Insurance Commissioners has appointed the following **special Fidelity and Surety committee** to investigate such companies: E. E. Rittenhouse, of Colorado, chairman; Joseph Button, of Virginia; J. A. Hartigan, of Minnesota; Otto Kelsey, New York; J. V. Barry, of Michigan; T. N. McDonald, of Connecticut; J. R. Young, of North Carolina; T. J. McComb, of Oklahoma, and C. W. Fletcher, of Massachusetts.

The firm of **Payne & Ramsey,** which has recently been appointed general agents of the Norwich and London Accident for eastern New York, including the metropolitan district and northern New Jersey, has secured the services of **A. C. Green,** formerly with the Metropolitan Casualty of New York, to take charge of its personal accident and burglary departments. He has been connected with the business for about ten years.

The **Surety Company of America** is the name selected for the new bonding corporation being organized in New York city, with a $500,000 capital and a surplus of a like amount. The charter has been drawn to permit the writing of all standard forms of fidelity and suretyship, as well as several casualty lines. Head offices will be in the Hudson Terminal Building.

The **International Fidelity insurance company,** a New Jersey corporation, chartered in 1904 by interests identified with the Singer Manufacturing Company, for the purpose of bond-

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ing employees of the sewing machine works, will branch out in the general fidelity and surety field in its home State. Other States may be entered later on.

The **Ætna Accident and Liability** of Hartford has chosen Norman C. Stevens, who has been connected with the Fidelity and Casualty for the past ten years, as manager of the plate glass department which the company is organizing.

The **Inter-State Surety Company** is being organized at Redfield, S. Dak.

Obituary.

Death of President Hall of the Massachusetts Mutual Life Insurance Company.

A London cable dispatch of Thursday announced the death, at the Hotel Victoria in that city, of John A. Hall, president of the Massachusetts Mutual Life insurance company of Springfield. Mr. Hall, who had been in ill health for some time and traveling in Europe with his son, arrived in London in a serious condition August 8, and a physician had been in constant attendance since then.

Mr. Hall came from New Hampshire stock, having been the son of John B. Hall, of Surrey, N. H., who moved to Saratoga Springs, N. Y., and established a foundry there. There Mr. Hall was born, December 17, 1840. In boyhood Mr. Hall was taught in the public schools, and also received private instruction. It was his father's ambition to train him for the law, but the hard times of 1856 precluded a college education, and the young man set out to hustle for himself. In summer he gained some business experience by handling the New York newspapers sent to the fashionable resort. Then he entered the store of his uncle, Ezra Hall, as grocery clerk. After two years of this experience he started for New York city, intending to be a clerk in a shoe store. But he was soon homesick, and changed to Bridgeport, where he found employment with his uncle, C. R. Hayward, who was a contractor at the Wheeler & Wilson sewing machine shops. There he learned about machinery, and when the Civil War increased work at the Springfield, Mass., armory he found a place there and moved to Springfield in July, 1861.

When the war was over Mr. Hall resigned to go into life insurance. This step was taken through the influence of A. H. Bond, afterward the Massachusetts Life company's general agent for Connecticut at Hartford. Mr. Hall had friends in Evansville, Ind., and moved out there as agent, and did a successful business. When in Springfield on a visit in 1867 Mr. Bond persuaded him to remain as an associate in the business of the Guardian Mutual Life, of which he was the Springfield manager. In a few months Mr. Bond was made State agent, and Mr. Hall took charge of the local office, where he remained until 1872.

It was the late Caleb Rice, then president, who started Mr. Hall with the Massachusetts Mutual. Meeting him on the street one day he gruffly asked Mr. Hall to come in and see him. The interview resulted in Mr. Hall's appointment as general agent, to succeed C. R. Chaffee. After the big fire Mr. Hall had an office in the new Massachusetts Mutual Building, and in 1879 he was appointed superintendent of agencies. February 1, 1881, he was elected secretary, and March 1, 1895, succeeded the late Colonel Edgerly as president. Mr. Hall was identified with interests outside of insurance. He served a number of years as city alderman of Springfield. When the Westminster Club was organized he was elected president. He was married in 1863 to Miss Frances E. Fay, daughter of Foster Fay, and had a daughter and one son. His remains will be cremated and brought home.

Official Reports.

Massachusetts Life Insurance Report.

The second part of Commissioner Hardison's report deals with Massachusetts life insurance in 1907-08 in detail. At the beginning of the year the twenty-nine regular companies doing business in Massachusetts had ordinary policies in force numbering 5,266,567, representing $10,308,838,739, a gain since the beginning of 1900 of 2,401,405 policies for $3,790,178,492 in business.

The general life insurance situation is summed up thus:

Any allusion to the insurance situation should recognize the evidence of the general soundness of insurance companies, as revealed by the fact that they have met in such good condition the recent unusual tests which in the course of events have been their lot. First, the serenity of life insurance companies was disturbed by the Armstrong investigation in New York and the agitation relating thereto, and the subsequent legislation in many States, including Massachusetts. Then fire insurance companies were dealt a vigorous blow by the San Francisco conflagration. More recently all classes of insurance companies, as well as other financial institutions, were affected by the stringency in the money market, and the consequent decline in the market value of securities. The triumph of all classes of insurance companies over these adverse circumstances is worthy of note, as it bears testimony that the great insurance interests upon which we have come to place so much dependence in all business relations involving the various contingencies of loss, and so much reliance in affording protection to our families, are resting on firm foundations.

This sound financial condition is due in part to the business sagacity and energy of the officers of the companies, and in part to the operation of salutary laws. It is not essential that the credit due to each should be determined, but it will be helpful to these great interests, which are everywhere recognized to be so important, if the Legislature sees to it that oppressive legislation is avoided; and along this line it is worthy of consideration whether there is not some ground for the claim being put forward so urgently that the business of insurance is subject to a heavier burden in the form of taxation than it ought to carry, in view of the facts that it is acknowledged to be one of the necessities of modern life, and that to the policyholders is shifted the cost of commissions, salaries, taxes and every other form of expense. The reports of this department in the early 90s urged this view with much vigor.

But the period of depression which the companies have encountered has suggested certain conclusions which it is well for all who are in any way responsible for insurance interests, whether as lawgivers or as administrators of the life insurance trusts, to keep in mind.

The Commissioner objects to the projected new office building of the Equitable Life Assurance Society, and says that it will not be built with the policyholders' money, although how the action of the company is to be prevented he does not inform the reader. He says:

Public opinion has no doubt great influence when brought to bear in favor of or against any proposed action; hence the present demand for publicity. Not always is it known in advance what a corporation intends to do, and the restraint in those cases comes from a fear that public opinion will condemn if a wrong course of action is taken. Sometimes, perhaps, cautious corporations put out "feelers" to test public opinion upon any proposed project of doubtful benefit. It is probably not far out of the way so to regard the report that the Equitable Life is to erect a home office building of thirty-four stories, with a tower of twenty-eight stories in addition, making a building over 900 feet high. In fact, in a letter regarding the subject, President Morton says that it is not yet decided that the company will erect a new building at all, but if it does conclude to do so, it will erect one that will yield the greatest rate of income to the society.

The policyholders of the company, and legislators for that matter, if they have any responsibility in the premises, can say whether they desire to have ten or fifteen millions of the company's funds used in an experiment of this kind, in view of the not happy experience of the company in its building ventures; or, on the other hand, would prefer to have the directors first try the experiment of a building of this sort with their own money rather than with the money of someone else where they will not be the sole sufferers if the experiment fails. Unless the project can be carried out by the use of money not belonging

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to the persons responsible for executing it, there will be no such building erected at present.

Regarding the improved liberality and uniformity of the life insurance policy Commissioner Hardison has this to say:

It is safe to say that never before in Massachusetts have the companies as a whole been issuing policies so much in the interest of the assured. This result is not wholly due to the enactment of the law which requires certain provisions in the policies and to the court's practical interpretation of some of these provisions, but in part to the liberal action of those in charge of the companies, the most of which are now doing more for the policyholder than the standard established in the law demands. This favorable result was possible from the fact that the law is not interpreted as setting up a barrier beyond which a company cannot go in liberalizing its contracts, but rather as establishing a minimum standard below which the company must not fall in its treatment of the policyholder. It is an interesting fact that many of these standard provisions are set forth in the contracts of the various companies by language much more diverse than would be necessary to express the differing degrees of liberality. While some have adopted in the main the phraseology of the statutes, others have seemed to shy at it, and keep as far away as possible and yet retain it "in substance" as the law requires.

The question of the proper valuation of securities is taken up in the report, and the Commissioner says, regarding values of stocks and bonds held by life insurance companies:

These two classes of property may be treated together. Their value in case they must be sold is what they will bring in the market. The value in case there have been no sales is a matter of judgment, and must be determined by some unprejudiced authority. It will not always do to leave it to the judgment of the officials interested, for some have been known to make the values either too high or too low, according to the needs of the company; in one case, by a high valuation, making a surplus which never existed, and in another, concealing profits by low ratings. In order to establish a uniform basis the amortization method of valuing bonds has been advocated by some, and on the surface it looks plausible.

Investigation, however, shows obstacles in the way of adopting it. In the first place, all agree that it could apply only to insurance companies doing a life and annuity business, because the assets of other classes of companies are subject to hazards of such a nature that permanency cannot be asserted with reference to their investments with a proper degree of confidence. Stocks also fall without the operation of the rule, for there is no fixed rate of income from them. Bonds, moreover, of a character upon which we cannot with a degree of certainty predicate the payment of interest as it accrues and of the principal at maturity, cannot properly come into the amortized class.

It comes down to this therefore: Is it expedient to value, by the amortization rule, the comparatively few highest class bonds held by life companies? If yes, then we still have the great problem before us of valuing the stocks and lower grade bonds of life companies on some other basis, and the further task of finding a proper basis for valuing, for all other insurance companies, the high class bonds which they hold as well as the less secure ones, and the stocks held by all the companies. In other words, a proper basis must be found for valuing all stocks and bonds held by insurance companies, which basis must be other than the amortization plan, even if we amortize the best bonds of the life companies.

Miscellany.

NATIONAL CONVENTION OF INSURANCE COMMISSIONERS.

Report of Committee on Rates of Mortality and Interest.

The question of a rate of mortality and interest is one of the most vital with which a life insurance company has to deal. Contracts are issued by life insurance companies that may be in force for a century or more, and the fulfillment of these contracts to the letter is of the greatest importance to both the policyholders and the State. The insured often relies on it for credit. Sometimes it is the only source from which he can obtain ready money, and the insured's family rely on it in too many instances as their only support when the breadwinner is gone.

INTEREST.

For some time prior to the beginning of the present century practically every company calculated its premiums and reserves on the basis of 4 per cent. interest, but at that time there was a more or less concerted action on the part of most companies to assume a lower rate of interest, most of the smaller companies assuming 3½ per cent. and the larger companies assuming 3 per cent.

There is no doubt but that a reduction in the rate of interest assumption was necessary, in view of the fact that the commercial rates of interest had shown a considerable decline for some time preceding. The amount of reduction made, however, has suggested an inquiry into the net rates realized by the companies and the character of the assets in which they have invested their funds. An examination of the statistics bearing on this point reveals the fact that in no case has there been a rate realized by any company which has been materially below 4 per cent. Allowing a reasonable amount for handling the investments there appears to be a net rate earned which is considerably above 3½ per cent., and we believe this to be a conservative figure.

In 1900 or thereabouts there was considerable fear expressed that market rates would continue to fall. But this has not been the case. On the contrary, the average rate realized by all the companies in 1906 was exactly the same as the average in 1900.

The only question to consider is whether or not there are sufficient safe investments obtainable to yield 3½ per cent. net in the future. Statistics show that all the companies have earned considerably more than 3½ per cent. net, and this is especially true of those having large real estate mortgage holdings. Individual companies might be mentioned, but it is not necessary. The statistics are available to all who care to investigate. As stated by the late Frederick L. Cutting of Massachusetts in his life report for 1899, page 13, "The reserve should be held in the best earning safe investments, and among these there is no better model or one more generally unobjectionable than well selected mortgages, one great advantage in which is the absence of market fluctuations, another the better average rate of interest, and another the unlimited amount of them always to be obtained by respectable exertion on the part of the financiers."

No one will question the wisdom of that statement. It is as true today as it was when it was written, and should serve as an inspiration to all company managers who desire to promote the best interests of the policyholders.

The question as to the amount of such investments to be obtained is answered by the fact that in a single State like Wisconsin there is loaned from thirty to forty millions of dollars on real estate mortgages every year, and over 70 per cent. of it is drawing 5 per cent. or more. The amount thus loaned in Illinois, Iowa, Minnesota, Michigan, New York and many other States probably exceeds that amount, and no one at all familiar with the facts would say that farm mortgages in the well settled portions of the country, in the dairy regions and the regions on mixed farming are not good security for loans.

We feel that a material increase might be made in the dividends of a company, and thus a reduction might be made in the net costs to the policyholders if this fact was more fully realized by company managers.

THE RATES OF MORTALITY.

Simultaneously with the reduction in the rate of interest assumption there came also a change in the mortality tables used by many of the leading companies. Prior to the year 1900 the Actuaries' or Combined experience table was quite commonly used, but since that time nearly all the companies have used the American experience table in computing premiums and reserves on new business.

We need not dwell on the relative merits of these two tables, but suffice it to say that we would naturally expect that the American table to reflect more truly the American experience than the Actuaries' table, which was compiled from the experience of seventeen British companies. The question that interests us is whether the tables used in computing the premium rates and reserves reflect as nearly as practicable the true rate of mortality so as to do substantial justice to the policyholders in the premiums charged. The rates should be equitable as between the various ages, so as not to result in the collection of unjust premiums nor of unnecessarily high premiums at any age.

The gain and loss exhibits show that in the experience of the twenty-five leading companies during the decade 1897 to 1906 there were but five cases where the actual mortality exceeded the expected mortality according to the tables used. Three of these occurred in one company, making three years out of ten that one company experienced a death rate in excess of the expected, and two companies one year each out of ten. Thus, according to these statistics, a company may expect to exceed the estimated death rate on the average once in fifty years, and the surplus or contingency reserve ought to be sufficient to take care of that contingency.

The safety of the tables is further demonstrated by the fact

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that the excess was very slight, except in one case. The yearly average of actual mortality for all the companies has never exceeded 76 per cent. of the expected, and has never gone below 70 40-100 per cent. The ten year averages for individual companies vary from 54 87-100 per cent. to 90 68-100 per cent. The actual gains made on mortality in 1907 by the thirty-four ordinary companies reporting to the Maryland Department amounted to almost $25,000,000, which again indicates that if the tables err at all they err on the side of safety. The question arises if the premiums could not be lowered somewhat to the advantage of the policyholders, at least by cutting down the loading, which is added to the net premium for the purpose of "providing for expenses and contingencies." The tables now in use appear to be adequate to provide for all reasonable contingencies without loading to that purpose.

OCCUPATION AND SUB-STANDARD RISKS.

We believe that the matter of grading premiums with reference to family history, occupation, etc., is worthy of more serious attention than it has received heretofore. The usual practice of grading premiums according to age alone ignores the unequal dangers of various occupations to life on account of accidents or the shortening of life by general exhaustion and breaking down of health. We commend the action now taken by some companies to tabulate their experience with sub-standard lives and comparative death rates in various occupations. It will no doubt have a tendency to equalize more fully than has been done heretofore the burden of carrying the risks, and thus making insurance more certain and more truly mutual, in fact as well as in theory, by making each policyholder pay in proportion to his risk. Respectfully submitted,

L. A. Anderson, Acting Chairman; F. H. McMaster, James R. Young, James E. Green, C. W. Neal.

A Standard Table of Mortality.

Insurance Commissioner Drake of the District of Columbia in his paper read to the Convention of Insurance Commissioners at Detroit last week on "The Desirability of Legally Adopting the Same Table of Mortality and an Assured Rate of Interest Throughout the United States for Calculating Reserves on Life Insurance Policies," said in part:

There is no matter to come before this convention, except the tax issue, in which the commissioners can exert so valuable an influence as this one. The subject is of paramount importance to every life insurance company that is transacting business in the United States; also to insurance departments everywhere. At the Conference of Governors, Attorneys General and Insurance Commissioners, which was held at Chicago February 1 and 2, 1906, I urged the committee that was appointed by the chairman of that convention to include this important subject in the bills that were to provide for uniform life insurance legislation for all the States, but it was not done.

AMERICAN DOLLAR THE UNIT OF FINANCIAL MEASUREMENT.

The Federal gold dollar is the standard of unit of financial measurement in this country, and it is applied to ascertain the amount of assets or wealth of individuals and corporations throughout the United States, when such is required.

RESERVE COMPARED TO BANK DEPOSITS.

The reserve liabilities of life insurance companies correspond substantially to bank deposits. The reserve, which can only be determined, however, by strict mathematical principles, together with the fundamental postulates of mortality and interest, is the excessive premiums paid, over the actual current cost of insurance, with interest accretions thereon. Therefore, for the measurement of life insurance reserve liabilities, I repeat there should be a universal, fixed and inflexible standard. It should be made so conservative as to be safe beyond question for at least a generation to come (two or even three generations would be better), and then applied—except on sub-standard and industrial risks—definitely and exactly the same to everyone.

In my opinion the same standard should be applied to select and sub-standard risks, but the latter class should be sorted annually, and risks that were impaired at the time of entry should be charged with an additional liability each year during the lifetime of the insured, or while policies issued on such subjects are outstanding.

INDUSTRIAL LIFE INSURANCE.

Industrial life insurance, which is peculiar and which most companies keep separate from the ordinary form of insurance, should be conducted, I think, on special tables, based on experience applying exclusively to business of that character.

LIFE INSURANCE BUSINESS NOT LOCAL.

The substantial life insurance companies of the United States are no longer local concerns whose business and investments are confined to their home States or to the surrounding neighborhoods. With the enormous amount of funds to be invested that they have, the leading markets of the world must be sought in order to meet competition, and equalization and uniformity of interest rates on the highest grade of securities must be considered and reckoned with.

COMBINED EXPERIENCE TABLE AND 4 PER CENT. INTEREST ORIGINALLY ADOPTED IN THE UNITED STATES IN 1844.

Since 1875 the insurance commissioners of the United States have worked every year persistently on the annual statement blanks to bring them up to their present state of efficiency and uniformity, with the bare and sole exception of the most important item of the whole, and that feature of it is left in almost the same neglected condition as in 1844, when the companies, before any legislation had been enacted on the subject, voluntarily adopted 4 per cent.; the rate used previous to that having been 7 per cent.

MORTALITY TERMINATING PERIODS A PHENOMENON.

As mortality runs in cycles of seven years—with almost the same regularity, too, that sand runs through an hour glass—a table of this kind, in order to be accurate, should be revised at the end of each such period. This is not necessary, however, as the current fluctuation is not important or serious enough to affect the financial condition of a company if it is otherwise well managed.

For safety, and expediency as well, the actual figures of a mortality table are usually raised on an average of 15 per cent. to 20 per cent.

COMBINED EXPERIENCE TABLE AND 4 PER CENT. INTEREST FAST BECOMING OBSOLETE.

While the prevailing assumed rate of interest under the law for valuing life insurance policies is 4 per cent., thirty-one of the oldest and largest American companies, voluntarily or under recent enactments, value their policies now on the American Experience Table of Mortality and 3½ per cent. or 3 per cent. interest. This proves conclusively that the American Experience Table of Mortality conforms more nearly to the mortality actually experienced in the United States than that of any other table, and it is the one above all others that should be universally adopted. Uniform modifications from this table can be made that will admit of preliminary term reserve valuations—the same as is practiced now where the State laws permit it.

One thing it seems to me will be agreed to by all; that is, the substitution of some other table for the Actuaries' table by such States as retain that table. That is an English table nearly three-quarters of a century old, long out of date and in disuse in England itself.

INNOVATION INTRODUCED IN 1882.

Twenty-six years ago the Connecticut Mutual Life insurance company voluntarily adopted the American Experience Table of Mortality and 3 per cent. interest. It was a radical change, and it aroused much comment then and for a decade or more thereafter throughout the insurance world, fierce opposition having been arrayed against the innovation by some of the then ablest authorities on the science of life insurance. For years thereafter I read and studied all the discussions that were entered into on this subject at the annual National Convention of Insurance Commissioners; also those that were published in many of the insurance journals, and I derived much information and knowledge therefrom respecting the factor that interest plays in connection with legal reserve life insurance.

Time has vindicated the wisdom of the advance step that was taken by that company, and the forethought that was manifested by the late Colonel Jacob L. Greene, who at that time—so far as the companies were concerned—stood alone in advocating the cause of increasing the security of policyholders by elevating the standard of solvency, at least of the company that he presided over.

FARM LOANS VERSUS GOVERNMENT SECURITIES, ETC.

For the past decade or more the expense of placing farm loans has been about equaled by the difference between the income from them and that from corporation bonds, municipal securities, etc. In the United States the true standard of net earnings for at least a generation to come is always regulated by the Government itself in the sale of its bonds. The difference between the Government standard thus established and the net income from

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commercial investments that are scattered all over the country generally average from 1 per cent. to 1½ per cent. in favor of the Government, investments that are made on either or both bases being considered by the best authorities equally safe.

THE AMERICAN EXPERIENCE TABLE OF MORTALITY THE PREVAILING STANDARD.

The American Experience Table of Mortality is the prevailing standard in the United States.

Massachusetts was the first State to legally adopt it as its standard. This occurred in 1900, the law becoming operative January 1, 1901. Eighteen States have since legally adopted this table, with either 4 per cent. or 3½ per cent. interest. Eight States still legally adhere to the Combined Experience Table of Mortality, with either 4 or 3½ per cent. interest, the optional use of either table being allowed in most instances; while in the remaining States and Territories no legal provision has been made. The problem now is: What mortality table and what rate of interest are best and safest for all concerned to adopt? For obvious reasons the American Experience Table of Mortality and 3½ per cent. should be, in my opinion, legally established everywhere in the United States.

STABILITY AND BENEFICENCE OF LIFE INSURANCE.

Life insurance itself is founded on forethought. The business of standard life insurance is based on scientific principles, which, if pursued under honest, conservative management, is bound to be as stable and enduring as time itself. It is about the only commercial business that defies the tooth of time, and, contrary to all other established precedents, instead of being affected by its ravages, it is financially strengthened thereby.

Henry Ward Beecher, who was in his time one of the greatest advocates of life insurance, once said that the "* * business of life insurance is one of the most beneficent in character and as safe as anything earthly can be." Those assertions are as true today as they were when uttered over a quarter of a century ago. Those statements have been verified, and substantiated, too, by not only the perpetuation of life insurance companies that were then in existence, but by their wonderful growth and acts of beneficence which they have since scattered nearly everywhere throughout the civilized world.

ACTION NECESSARY.

Gentlemen, as insurance commissioners the duty devolves upon us of taking up and pressing to a successful ending this all important move, which, I believe, can be enacted into law in the course of a few years in every State of the Union if we persistently keep the issue before each State Legislature and Congress. It is idle, however, for us to merely come here and talk about this and agree that such a measure is necessary. We must do something to accomplish it. I, therefore, beg to suggest that a resolution be passed at the proper time authorizing the president of this convention to appoint a committee of five, which body may be composed of either insurance commissioners or ex-insurance commissioners, to formulate a bill as herein suggested, and that after draught of such bill is approved by the convention, and the bill is printed, which should be done at the expense of this association, several copies be sent by its secretary to every insurance department in the United States and that the insurance commissioner be charged with the duty of pressing it upon the legislature of his State until enacted, and I think I may safely say that I will see to it that Congress does the same.

Commissioner Rittenhouse on Departmental Practices.

In his paper at the Commissioners' convention on "Departmental Practices" Commissioner Rittenhouse of Colorado discussed examinations, supervision over agents, treatment of impaired capital, year end transactions and complaints filed by citizens. On the latter subject he said:

COMPLAINTS FILED BY CITIZENS.

If there is any part of an insurance department that needs careful organization and thorough supervision, it is the complaint desk or bureau.

My views upon this subject are based upon the theory that insurance departments were organized solely for the protection of that portion of the public which deals with insurance companies. In other words, insurance departments are departments of publicity and information for the use of the insuring public.

When the "prospect," the policyholder or the beneficiary applies to the department for information, we should make an extra effort to accommodate them. Of course a department should not put itself in the position of favoring one company as against another, or in a position of determining legal or judicial questions.

Now I know it will shock some of you, and especially some of our guests from the insurance companies, when I tell you that I believe so firmly in this theory of making the departments serve the public to the full limit of its authority and capacity that I have notified the public through my bulletins and the press, at intervals for about a year, that those who do not understand their policies and those who feel that they have a genuine grievance against an insurance company, or an agent, can bring them to the department, where their policies will be explained to them by the department expert, and their complaints investigated if necessary. This has materially increased our work, but not so much as you would think. It is a very satisfactory part of our work, because we are the means of setting straight a great many people who feel that they have been mistreated or injured, when, as a matter of fact, they have not understood the plain provisions of their contracts. It is certainly a great pleasure to be able

TO ASSIST PEOPLE WHO ARE IN DISTRESS

—those who feel that they have been robbed or are about to be robbed, and those who are bowed down with grief as the result of death in the family. The poorer and more ignorant the complainant is the more attention and patient consideration he should get from the department.

Here again I am discussing a proposition that, if put into effect in the thickly populated States, would mean a heavy increase in the departmental work. But again I say let the State that is big and rich build up its department in accordance with its population and wealth—if it takes 100 clerks, or 200, put them to work. It is the most important department in the State house, anyway.

This plan of inviting people to bring their grievances to the department is important not only because it is of great service to uninformed and often helpless people, but because it operates to turn enemies of insurance back into the fold. Now I have had enough experience in handling these complaints to know that the scheme is entirely practical, and that it does not bring anything like the burden and annoyance which might be imagined.

In the first place it is not necessary to assume any of the functions of the lawyer or of the court in the settlement of claims. There is no necessity of making a collection agency of the insurance department.

When a prospect wants a policy explained, and asks our advice as to which policy he should take, the policy he submits is explained to him and he is told that all we can give him is information, and he must form his own conclusions in selecting his policy and his company, unless, of course, it is an unauthorized company or a fraudulent concern. When the policyholder comes, often fresh from the hands of the twister,

HIS POLICY IS EXPLAINED TO HIM,

and he is informed that we cannot advise anyone to lapse a policy in a duly authorized company. In the meantime he is given a short and friendly lecture on insurance, and in most cases he leaves the office in a friendly frame of mind, both toward his company and toward insurance generally.

When a beneficiary complains that a claim is being resisted or not properly adjusted, the first thing we do, before hearing the complaint, is to inform the complainant, first, that the law does not give us authority to adjust legal disputes between companies and claimants; second, that we will be glad to hear the complaint, and, if necessary, look into it and call the attention of the company to it, but that we claim no authority to do more than to ask the company to make a special inquiry, and if it finds any mistake has been made or any wrong is likely to be committed, through the error of a subordinate, to see that it is corrected.

In the vast majority of cases the beneficiary does not understand the policy, and when its provisions are explained the complaint is withdrawn.

The dispute is sometimes of such a nature as to make it necessary for the department to promptly advise the complainant to seek advice from a lawyer. We, of course, never undertake to advise a complainant to bring an action or to resist one. So long as the department follows the plan of giving information and not legal advice in these claims there is no inconsistency in this work, and it serves a very excellent purpose. It is very seldom indeed that I have had

TO CALL THE ATTENTION OF INSURANCE COMPANIES

to these grievances, but when I have done so the communication was always in the form of a request for a special inquiry, in order that if it is found any injustice has been done the claimant it may be corrected. So far, in every instance, the request has been received in a friendly spirit, and the investigation made and the case reported on promptly. And I must say that I know of none of these instances where the president of an insurance company has shown any disposition to be arbitrary or unreasonable. On the contrary, if it is found that a subordinate has used bad

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judgment or is in the wrong, the matter has been promptly and cheerfully corrected.

I know that this part of our work is very much appreciated by those who ask for information and by those who make complaints.

A large portion of our complaints come from the holders of industrial policies. These claims, as a rule, are for small amounts and come from both accident and life industrials. These complainants are usually very poor and ignorant, and their claims are so small that it would be next to impossible to find a lawyer to take the case, because his fee would amount to more than the claim. These people are especially grateful for an analysis of their policy contract, which enables them to judge as to the strength of their position.

A brief set of rules governing the handling of complaints and a level headed man who has a thorough knowledge of policy contracts at the head of a bureau of this kind, with necessary assistants, will give excellent service to the public, and incidentally to the companies, but it is a part of the

WORK THAT MUST BE HANDLED WITH CARE.

It is a dangerous place for a man with poor judgment. He must stay strictly within his authority and within the rules, and not get the idea into his head that he has the right to make a company pay a claim unless the law specifically gives him the right.

I am not urging other departments to adopt this plan; all I want to say to you is that I know it works, and that it works well, for I have tried it. It enables the agent to know the companies that have the most trouble in settling claims.

Of course some will say that this is a paternalistic scheme to supply the common herd with intelligence, but I don't care what it is called; I believe that it is one of the legitimate functions of the insurance departments.

Detroit Conference of Accident and Casualty Companies.

The Detroit Conference of Accident and Casualty Companies was in session at the Hotel Clifton, Niagara Falls, on Wednesday, Thursday and Friday of this week. About ninety members, representing thirty-eight companies, were present. President Louis H. Fibel, of the Great Eastern Casualty and Indemnity, occupied the chair.

PRESIDENT'S ADDRESS.

The following was the address of President Fibel at the opening session on Wednesday:

Your membership has been increased by the admission of several companies, some of them the strongest in the field of industrial, health and accident insurance. One at least of our assessment associations has organized into a strong stock company, and to it we tender our congratulations.

I am glad to be able to state that we have kept in constant touch with most of the companies and associations not affiliated with us. Our relations with many of them are friendly, and while for one reason or another they have not enrolled with us as yet, we have established a modus vivendi under the terms of which—while they will not refuse to negotiate with discontented agents of other companies who apply to them—they will not go into the field to buy our agents and pay them for transferring our business. I believe that several important companies which have tried this method have been convinced that business so obtained does not pay.

In March, 1907, our conference held a memorable convention in the city of New York. For a long time previous our agents from Maine to California had been complaining that the policy contracts of most of the non-conference companies were in many essentials superior to what they had to offer. They were daily losing not only competitive new business, but renewals where a comparison was made of policies. They furthermore impressed upon us daily that certain restrictive conditions led to dissatisfaction with claim settlements and a consequent abnormally large lapsation. Your executive committee felt that there was some justice in the agents' position, and some grounds for their dissatisfaction. It labored long and faithfully, holding several protracted meetings in different cities, and finally at the New York convention presented with its almost unanimous indorsement a new contract, with a recommendation that it be adopted as the standard policy of the Detroit conference.

The discussion following its introduction to the meeting was the freest and most far reaching ever held by this body, and as a result a large majority of the companies and associations represented, especially the large stock companies, voted to adopt that policy as the standard $1 a month policy of the Detroit conference and to commence writing their business on that form within a few months. There was, however, no obligation placed on any member to use the policy unless it voted to do so and the companies voting affirmatively were at liberty to issue any contracts at premiums other than $1 a month.

As a matter of fact most of the stock companies commenced almost immediately to issue all their $1 business on the new form, one of them, however, with one slight modification. More than a full year has elapsed and we are now able to measure accurately the results of our business under this policy and to judge as to the wisdom of your executive committee. From personal contact with most of the largest companies and from experience of the companies I represent, I am of the opinion that the adoption of the new policy was one of the wisest steps your conference has ever taken.

Alluding to the manual and rate book of the organization, the president said:

The manual we now use may have been sufficiently accurate at some past time, although it is doubted if its ratings were ever founded on scientific data covering a sufficient number of exposures to give a dependable average. Whatever it may have been in the past it is today an inadequate foundation on which to build our business. Within the past few years industrial conditions in the United States have been almost revolutionized.

There are many hundreds of new occupations born of the exigencies of modern business which do not appear in our manuals at all; improved machinery with new safeguards, prescribed in some cases by statute, in others by the benevolence of the far-seeing wisdom of employers. These have so changed the physical hazard that our present ratings are entirely unfair. During the past few years that I have been connected with the business attempts have been made to gather data of the loss ratio in each classification. They have been of great value, and have led us to a much more equitable distribution of the premiums we collect. We found that in some classes we did not return to the policyholders a sufficiently large proportion of what we collected from them. In others we distributed too much, sometimes nearly the entire net cash receipts. As a result of our acquired knowledge we increased the former and decreased the latter.

This was all very well so far as it went, and enabled us to distribute fairly our benefits according to classes, each class embracing hundreds of occupations. From a close study of our daily routine some of us were led to believe that our working basis for classification was not correct; that while the average loss ratio in Class A or Class D might be 45 per cent., many of the occupations in D received 25 per cent. in indemnities and should be rated in B, while other cost us 75 per cent. and should be in X. So far as I know no serious attempt has ever been made to gather full statistics and data regarding every occupation according to form of policy, whether regular or special, age and sex considered. Until we have a classification and rate book founded on just these data we shall never be able to rate our risks equitably.

In concluding his address the president called for the more constant co-operation of members, particularly in the matter of employing agents discharged by other companies.

The report of the executive committee, J. B. Pitcher chairman, urged the abandonment of the policy fee system and suggested co-operation with the International Association of Accident Underwriters in the efforts to reduce State and municipal taxation of insurance.

At the session of Thursday Mr. W. H. Howland, of Saginaw, Mich., discussed the question of leaks in accident insurance. He declared that the expenses of many companies were excessive, and in line with recommendations offered at Wednesday's meeting urged a policy of retrenchment. Mr. Howland pointed out instances whereby he believed a saving could be effected.

Mr. Boyer, of Philadelphia, gave an interesting account of the history of the Detroit conference, its efficiency and the benefits that have accrued from the association's activities.

ADDRESS BY MR. MAX COHEN.

Mr. Max Cohen, editor of *Views*, Washington, D. C., read an address entitled "The Passing Show in Insurance." Mr. Cohen was severe in his comments on the "one sided methods" of the chief inquisitor in the Armstrong investigation, whose "ever dominant note in the questions hurled at witnesses throughout this examination was to besmirch and condemn." He discussed the

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evil effects of much of the recent life insurance legislation, and further said:

The practical optimism displayed by our American life insurance institutions during the recent greatly disturbed financial conditions may not have entered the area of public comprehension. The time will come, however, when in all fairness it will be admitted, although great capitalists came to the relief of "the market," and while even the treasury of the United States Government stood against the threatened stampede when banks suspended payment and trust companies refused to part with their hoarded currency, that the life insurance companies, in promptly granting liberal cash loans on its policies at a low rate of interest, exercised a potent influence during this crisis in quieting the fears of the rank and file, and saved many a man or business firm from being swept away into bankruptcy. The threatened danger of disaster from a ruinous financial panic was at least thereby largely averted.

GOOD WORK OF THE INSURANCE PRESS.

At the risk of incurring criticism for talking shop or parading a selfish ego, I also embrace this opportunity to record my admiration for the intelligent and herculean labors performed by the insurance press during the most trying period in the history of American life insurance, already referred to in previous paragraphs. Its efforts were certainly well directed in smashing vitriolic exploitations of sophistic theories; its office forces busily engaged in answering thousands of inquiries from greatly disturbed policyholders, and in also furnishing incontrovertible facts and figures to prove the solvency of the institutions in which the latter were insured. And because during all the time when the most blatant critics of life insurance institutions and of its officials seemed to have the first call to the columns of the daily newspapers and of the secular magazines, the insurance press loyally performed this task, it can, in my opinion, at least justly claim that it largely contributed to the restoration of public confidence in life and other phases of insurance, which now, fortunately, is again so strongly in evidence. I am therefore also convinced that I voice the sincere thanks of every member of the insurance press to those representative underwriters who, like H. G. B. Alexander, the popular and efficient president of the International Association of Accident Underwriters, and others, so publicly and gracefully voiced their keen appreciation for the good work and valuable influence of the insurance press in upholding insurance and its legitimate institutions.

REMARKABLE INCREASE OF FATALITIES.

The last reports of the Interstate Commerce Commission on railroad fatalities during 1907 show that the total number of casualties to persons employed on the railways was 122,855, of which 11,839 represented the number of persons killed and 111,016 the number injured; the number of passengers killed in the course of the year was 610 and the number injured 13,041. The total number of persons other than employees and passengers killed was 6.695; injured, 10,331. But it is also of record that nearly 11,000,000 non-fatal accidents occurred in the United States in 1907 from other causes, which means that about 30,000 people are injured each day—one to every 2,800 of population, and that 7 per cent. of all deaths in this country are due to some accidental cause. Since the beginning of this year over 15,000 persons have been injured and over 200 deaths caused by the street cars of New York alone. The list of fatalities from automobiles and of other vehicles of the speed craze, recently so aptly described by an eminent French physician as "locomotor mania," also keeps on piling up an ever increasing number of victims. It therefore also follows that the student of casualty insurance becomes most greatly impressed with the serious and tragic side of the business of accident insurance. But as he so well realizes that modern ingenuity has not only proven futile in preventing the occurrence of "accidents,"* but that the same are ever on the increase, his observation has also convinced him that the indemnifying features in your contracts very often act like golden oil rubbed into a wound to soothe and heal it.

CASUALTY AND HEALTH INSURANCE.

The amazing growth of casualty and health insurance in the United States, particularly during the past twenty years, is well worthy of record in "The Passing Show in Insurance." Its business ramifications, embracing the many new and constantly increasing lines written by your companies, which figure in the reports as "miscellaneous," is now interwoven with every fibre of our commercial, industrial and social life. It has also become an important factor in enhancing the conomics of the State and nation, for, similar to life insurance, it accomplishes its functions by contract, which does not fluctuate like bonds, vary with the Stock Exchange, or prove a bad investment in time of financial panic.

In also complimenting the Detroit conference upon the beneficial results it has already attained in stimulating clean competition and a generous rivalry in the ranks of its workers, and thereby elevating the principles and business methods of accident and health insurance to a higher plane, I will but add, in conclusion, that a double obligation is thus imposed upon you, its direct representatives, not to mar its present prestige for public usefulness by permitting visions of "bigness" to allure you into transcending the danger line, or in promising "too much" in your diversified policy contracts. For around every cot of the maimed, every sick bed, cluster brightest hopes that every provision of indemnity stipulated in your contracts can be confidently relied upon of fulfillment. Aye, it is this confidence in a genuine protection for loved ones which even sheds a bright gleam over the gloom of the deathbed. Although some of your companies or associations may never rank among the leaders, there is no higher ideal to pursue in your business relations than that which is expressed in this beautiful verse of an unknown poet:

"I may not triumph in success,
Despite my earnest labor,
I may not grasp results that bless
The efforts of my neighbor.
But though that goal I never see,
This thought shall always dwell with me—
I will be worthy of it."

Dr. C. H. Harbaugh, of Philadelphia, president of the American Association of Medical Examiners, read a paper on "Hernia." The sessions of the conference were continued yesterday, and the indications were that Mr. Fibel would be re-elected president.

* The American Anti-Accident Association was recently organized at Sharpsville, Pa.

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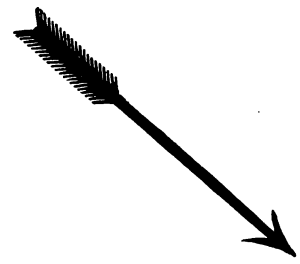
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Pennsylvania Fire Insurance Co.

OF PHILADELPHIA.

Cash Capital	$750,000.00
Reinsurance and all Liabilities	4,096,833.14
Surplus	1,615,283.97
Total January 1, 1908	$6,462,117.11

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JOHN L. THOMSON, Vice-Pres. HAMPTON L. WARNER, Asst. Sec.
W. GARDNER CROWELL, Sec. WM. J. DAWSON, Sec. Agency Dtep.

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Insurance Losses and Claims for Damages amicably and satisfactorily Adjusted. Otherwise resisted, defended at Law or in Equity for Companies by

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GO ANYWHERE. OPERATE ANYWHERE.

The Connecticut Mutual Life Insurance Company

Stands alone among the American companies of any note, in having repaid to its members, their beneficiaries and estates, in annuities, endowments, death claims, surrender values and dividends, more than it has received from them in premiums. These are the totals:

Received since organization—1846	$249,356,745.45
Repaid as above noted	253,641,382.54
Excess over amount received	4,284,637.09
Assets December 31, 1907	65,003,271.10
Surplus December 31, 1907	2,326,657.25
Insurance in force December 31, 1907	174,716,005.00

President, JOHN M. TAYLOR.

Mutual Life Policies

ARE EASIEST TO SELL

BECAUSE

Yearly dividends have been increased for the last three years, 1906-7-8, at a rate equaled by no other company.
Cash values guaranteed in the new life and endowment policies are equaled by few companies.
Attractive features have been added to standard policy forms.
Liberal terms offered producing agents under the 1908 contracts.

For information, address

GEORGE T. DEXTER

Second Vice-President

The Mutual Life Ins. Co. of New York

34 Nassau Street, New York, N. Y.

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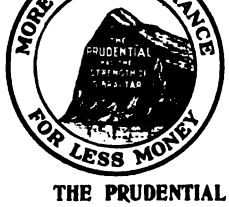
That's the way PRUDENTIAL FIELD MANAGERS are talking about

The NEW Low-Cost Life Insurance Policy of The Prudential



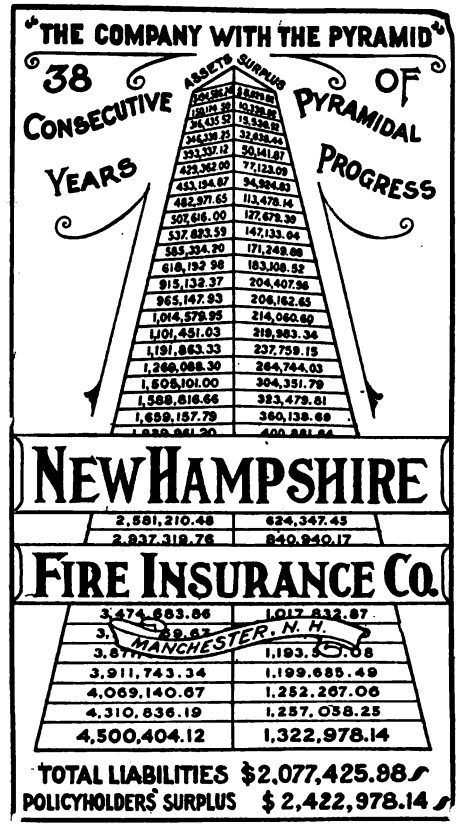
The Greatest Success in Life Insurance!

We want Agents.
We want Managers.
We want YOU!

THE PRUDENTIAL INSURANCE COMPANY OF AMERICA

Incorporated as a Stock Company by the State of New Jersey.

JOHN F. DRYDEN, President Home Office, Newark, N. J.



THE

MUTUAL
Life Insurance Company of Boston, Mass.

Insurance in Force, December 31, 1907, Over $459,000,000

STEPHEN H. RHODES, President.

ROLAND O. LAMB, Vice-Pres.; ARNOLD A. RAND, 2d Vice-Pres.; ROBERT K. EATON, Sup't of Agencies; WALTON L. CROCKER, Secretary; WM. S. SMITH, Actuary; GEORGE L. STIMMEL, General Agent Metropolitan District.

St. Paul Building, New York.

That New Policy

AND THOSE NEW RATES AND VALUES

turn prospectives into policyholders. Highly liberal policy and values, extremely low premium rates, notable annual dividend record.

MASSACHUSETTS MUTUAL LIFE INSURANCE CO.

SPRINGFIELD, MASS.
INCORPORATED 1851

F. W. SMALLMAN, Manager of Agents for New York City, 1401 Empire Building.

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THE
PENN MUTUAL LIFE
OF PHILADELPHIA
HAS FURNISHED
PERFECT PROTECTION AT PROPER RATES
For 60 Years
Our agents are representative citizens of their respective communities.

FIRE ASSOCIATION
1817 OF PHILADELPHIA 1908

Total Assets,	$7,840,675.19
Capital Stock,	750,000.00
Net Surplus,	1,804,021.58

E. C. IRVIN, President.
T. H. CONDERMAN, Vice-President.

New York City Department
KELLY & FULLER, Agents
92 William Street, New York City
Boston Department
JOHN C. PAIGE & CO., Agents
65 Kilby Street, Boston, Mass.

[FIRE]
German American Insurance Company New York
STATEMENT JANUARY 1, 1908
CAPITAL
$1,500,000
RESERVED FOR ALL OTHER LIABILITIES
7,592,685
NET SURPLUS
4,415,353
ASSETS
13,508,038

Insurance Co. of North America,
232 WALNUT STREET, PHILADELPHIA.
FOUNDED 1792.

Assets, January 1, 1907		$10,748,864
LIABILITIES—Reserved for Reinsurance and all other claims	$6,705,870	
Capital Stock	3,000,000	
Surplus over all Liabilities	1,042,994	$10,748,864

Agents in all the principal towns and cities.
CHARLES PLATT, President.
EUGENE L. ELLISON, Vice-President.
BENJAMIN RUSH, Second Vice-President.
GREVILLE E. FRYER, Secretary and Treasurer.
T. HOUARD WRIGHT, Assistant Secretary.
HENRY W. FARNUM, Marine Secretary.
JOHN O. PLATT, Assistant Secretary.
Offices in New York: Fire, 51 William St.; Marine, 63 Wall St.

Union National Accident Co.
JAMES A. FLAHERTY, *Pres.*
This Company is now prepared to make contracts with high grade producers. Our up-to-date policies will prove to be easy sellers.
HOME OFFICE:
Manhattan Building, PHILADELPHIA, PA.

1860 48TH YEAR 1908
HOME LIFE INSURANCE COMPANY
OF NEW YORK
GEORGE E. IDE, President

ASSETS, $20,004,853.63. LIABILITIES, $19,235,418.20.
(Including Dividend-Endowment Fund)

Dividend-Endowment Fund (Deferred Dividends)	$1,795,020.00
Net Surplus	769,435.43
Insurance in Force	86,193,296.87

The forty-eighth annual report shows a gain in the amount of insurance in force; that assets were increased nearly $1,000,000, and that over $300,000 was paid to policyholders in dividends.

FIREMEN'S
Insurance Company of Newark, N. J.
ORGANIZED 1855

CAPITAL,	$1,000,000.00
ASSETS,	4,701,068.80
SURPLUS TO POLICYHOLDERS,	3,148,371.45

DANIEL H. DUNHAM, President CHARLES COLYER, Vice-President
A. H. HASSINGER, Secretary

WHITON & MERGES, Agents, . . 73 William Street, New York
LEWIS & FREAR, Agents, . . . 145 Montague Street, Brooklyn
H. W. BEALS, Suburban Agent, . 76 William Street, New York

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The Weekly Underwriter:

AN INSURANCE NEWSPAPER.

VOL. LXXIX. NEW YORK, SATURDAY, SEPTEMBER 12, 1908. No. 11.

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CHARLES A. JENNEY, President and Treasurer. L. ALEXANDER MACK, Secretary.

WHEN one reads on another page of this issue the formidable list of State legislatures which will meet in a little more than three months from present date of outlook there may follow a keen appreciation of what the insurance business may soon be up against in the way of legislation. A thousand insurance bills would be a moderate estimate of the productiveness of 1909, considering the immense growth of the business, both in volume and variety of hazards now underwritten. So much proposed legislation will be vexatious, so much retardant, so much even destructive in its possibilities to the business, that an attitude of intense watchfulness will have to be assumed by the interests that will be affected. This paragraph is to certify that this newspaper has its arrangements in complete order to provide, as heretofore, full information of the action of all the legislatures on insurance.

CONCERNING a circular sent by the secretary of the National Association of Local Fire Insurance Agents to "co-operating companies," requesting information as to whether they have written policies directly or for reinsurance on certain specified risks and asking that prompt replies be sent to him, the *Journal of Commerce* is moved to make the following comment:

It is not likely that Secretary Putnam will get many replies to his inquiry, but it may some time dawn on certain of the prominent agents whose names appear on the association's stationery that underwriters are becoming rather tired of Putnam's paternal pose. Company managers in the main are not inclined to let the association run their affairs for them nor would they even if its correspondence was more diplomatically handled.

It may be well to add to the above that the understanding was very manifest among the members at the last annual meeting of the association at St. Paul that hereafter it will manage its affairs itself. When Mr. Beardsley took the chair as president he said quite plainly that no "one man power" should prevail during his administration, and by that he evidently meant that the business of the association shall not be run hereafter by its clerk and one or two members affiliated with him, as has been the case, nor that such instances of highhandedness shall happen as calling a meeting in the territory of the official head of the association without notifying him. There need be no question that Mr. Beardsley has the backbone while in office to be the president, and that he will act in concert with the entire official representation of the association.

THE two national organizations of fraternal orders, the greater known as the National Fraternal Congress and that composed of the younger and smaller companies known as the Associated Fraternities of America, have been in annual session, with the result that they are as far apart as ever upon the question of uniformity. The first has indorsed a form of law regulating assessment life insurance which, when enacted by a State legislature, provides a rate of premium claimed to be adequate. But it is a rate to which the newer associations object, because to compete with their stronger rivals they must make a pretense, at least, of cheapness. They contend, in fact, that a lower rate is safe where the rate of mortality, as with the younger fraternal, is lower. This being the situation, the action of the Associated Fraternities in convention at Chicago last week in refusing to recognize the proposed law was to be expected, as well as a declaration of purposes embodied in the following resolution:

Resolved, that a commission be appointed by our executive committee who will act with the executive committee and with similar committees from the National Fraternal Congress and other bodies of fraternal insurance in preparing a new table of mortality based on statistics of fraternal insurance societies in the United States covering their entire experience, and to prepare a uniform bill to be presented to the next Congress of the United States, giving the United States Government control and full authority over the operations and management of all fraternal insurance societies of the United States.

Here appears a proposition not only for a law less drastic in its restrictions upon the smaller and newer associations, but for the transference of official supervision over the assessment business from the States to the General Government. The State insurance departments have been hard on the new associations, many of which have been of the slick kind, and the instinct to escape such close scrutiny is natural. If the National Fraternal Congress is satisfied with its model law—as it seems to be—it is not likely to accept the invitation of the other body to assist in preparing one on lines more accommodating to its competitor. As for Federal supervision, that is even more hopeless than co-operation.

QUOTING some remarks of ours on the proper indisposition of life insurance agents and other voters of New York who sympathize with them to support Governor Hughes for re-election, our esteemed contemporary, the *Monthly Bulletin* of the Fidelity and Casualty Company, says:

Our friend is a little "off" in his political prognostications. He is "off" also in his estimate of the Governor—as we think. Mr. Hughes is a man, as we believe, of unusual ability, a lawyer of exceptional qualifications, a public official of absolute integrity, and a citizen of the very highest ideals. Insurance men do not expect the highest wisdom from public officials as respects insurance problems. Mr. Hughes may have made mistakes. We think he was wrong in his attacks on Mr. Kelsey. He may not have appreciated the results of putting life insurance in a strait jacket. All the same, he is a great, honest, capable Governor, quick to perceive what is wrong, prompt and capable in devising remedies, absolutely attentive to affairs of State, absolutely inattentive to "political" methods—what can the people do but appreciate him, and wish for him the broadest public career? Do not let us look for supposed flies in the jar of ointment.

We are afraid that Mr. Seward has not read his WEEKLY UNDERWRITER recently with the care that has been his custom for many years or he would not charge

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us with a want of appreciation of the Governor's ability and integrity. We have always allowed that Mr. Hughes is good. But our point is that he is a man of narrow gauge and set ideals, satisfied with his own superior wisdom, and—"when he has made up his mind"—impervious to the advice of others as wise and good and well intentioned as himself. He acquired a prejudice against life insurance as administered by the men in the business by the wanton and unrestrained powers given him as an inquisitor at an *ex parte* investigation whose purpose was to convict. The legislation which grew out of it reflected his prejudices. On the strength of the tremendous sensation his unhampered efforts had created he rode into public office. Since he has been there he has inflexibly maintained his previous posture toward the life insurance business. Any attempt to move him to reverse an injustice has failed. Now he is a candidate for continuance in the Governorship. His daily newspaper organs this week declare that his nomination by his party is assured as the result of a test vote in Greater New York, in which he carried six out of thirteen election districts. This may be so, but if it is the life insurance business will vote against him in November, because it knows that there can be no reform of the unjust features of his insurance laws while he is in office if he can prevent it, and that he will appoint as Insurance Superintendent, when Mr. Kelsey's term expires in February next, a man of his own bent, probably his Mr. Fleming, who investigated the State Insurance Department, not to ascertain facts, but to find pretexts for the expulsion of the superintendent from office. Life insurance men will not vote for Mr. Hughes because it is against their business interest to do so. They may not defeat him, but it is their duty to themselves to try.

Facts and Opinions.

Endowment insurance as an investment for years to come is commented on by the New York Life as follows:

In considering the means by which the welfare of one's wife and children may be secured, the ordinary man is distressed and hampered by the fear that, no matter how he may strive and scheme, his ventures in business or speculation may so miscarry that when he dies he will leave his wife and children without enough to give them a comfortable living in about the circumstances in which they were accustomed while he was at the helm. Almost every man falls to thinking somewhat along that line. If the advantage of endowment insurance is presented to such a man the arguments certainly can be made forcible enough to win his application. An endowment policy is an economic factor in the welfare of the estate, the family and the individual. There is more thrift about an endowment policy than in the other forms of life protection. It sends its owner into the world with a nest egg. It combines a measure of saving year by year in addition to paying for life insurance. The family man can put aside each year a definite sum of money that won't be missed. As the years go on the fund, over and above the cost of insurance, accumulates in the company's hands and is returned to him while alive, with some increment, at a time in life when the chances are the cash will be of far more value to him than in the years when his earning powers perhaps were greater. A twenty year endowment policy with the New York Life is a splendid thing with which to start a boy or girl on the threshold of life. Fathers, mothers, guardians can do no greater favor than to take and pay for an endowment policy on a young person's life, carry it for a few years until the young man or woman is able to pay the premium, thus making the policy in effect a savings institution which self interest will lead the youth to continue to the policy's maturity. In this way his interests are better subserved than through the medium of a savings bank, for the reason that there is fortunately an element of compulsion about the annual payments on an insurance policy which savings deposits do not possess. And then, the borrowing capacity, larger under endowment policies than under other forms, is a feature which should not be lost sight of. Only those who have experienced the satisfaction of the generous aid afforded in times of need by the loan values of endowment policies can understand what it means to have cheerful and generous assistance from such a source. For those who love life and expect to have a long lease, for young people who should learn habits of thrift and saving, a twenty year endowment policy in the New York Life furnishes a combination of insurance and money-back-when-policy-matures that approaches the ideal. Our Jewish citizens, who are credited with keenly recognizing the value of a dollar, are among the warmest patrons of endowment insurance. They like to see the color of their money. They take insurance on this plan, keep it up, mature it, receive the face of the policy plus insurance in the meanwhile, and thus have something to show for their cash.

The Glens Falls *Now and Then* has again made its appearance with some of its **trite witticisms:**

It is easier to be good than great—less competition.

When an alms solicitor appeals to you saying, "I am looking for a little succor," you are hardly complimented by his taking you to be what he is looking for.

"Any blamed fool agent knows the difference between short and pro rata rates." "Of course—that's why I asked you."

An automobilist agent among his valuable observations from experience says: "It's not safe to take children automobiling—before they can walk."

There is a large waste of energy in just discussing insurance evils.

A floating debt is no help to an agent in trying to keep his head above water.

Some agents with a single company have one too many.

Table manners depend upon the grub—insurance manners upon the size of the premium.

Some, if they can't be stars themselves, become fogs to obscure the shining of those who are.

Silence may be golden, but it can't always be coined into cash premiums.

Very good agents are scarce and very bad ones make themselves so.

It is a great incentive to both honest and dishonest effort—the pressing consciousness of needing the money.

Not all who think they think, think thoughts.

It would be a mistake not to make some of our mistakes.

You can't be wholesouled in a half hearted way.

Talkless thinking is better for most purposes than thoughtless talking.

The wise man gets an idea in his head; the foolish man gets it in the neck.

There is much iteration of the obvious among insurance men.

The **conflagration hazard** of the city of **Oswego, N. Y.,** is the subject of a recent report by the engineers of the committee on fire prevention of the National Board of Fire Underwriters. The report says that the hazard is severe in parts of the principal mercantile district, due to structural weaknesses, a very poor water supply and a weak fire department. The width of the river and the width of the streets are mitigating features, but bad fires are probable in the lumber and manufacturing districts. Overhead wires offer serious hindrance to the fire department operations, while high velocity winds are frequent. The water supply comes from the Oswego River and the waterworks are owned by the municipality. The reservoir in use holds about three days' supply, and the water is pumped direct from the river to the distribution system on the west side and to a distributing reservoir on the east. The pumping capacity is inadequate and consumption high. The force mains and arteries are inadequate in size and there are no secondary feeders. The fire department is part full paid and part on the call basis, but has a good chief and needs more permanent men. The ladder service is poor and the engine capacity too small, while the chemical service is poor, with improvement in sight. The fire alarm system is insecurely housed and the boxes are

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automatic and of unsatisfactory type. The outside circuits are all aerial and there are no duplicate circuits to fire stations. The building law, though fair from the fire protection standpoint, is not enforced. The fire limits are too restricted and the structural conditions weak.

A book of **fairy tales by Garrett Brown**, editor and proprietor of the *Insurance Leader*, is a coming literary sensation. One of its most attractive points will be its patriotism, for Mr. Brown's fairies will be genuine Americans, not denizens of an unlocated somewhere, like all the other fairies ever heard of. The St. Louis *Globe-Democrat* has the following first class announcement of our distinguished contemporary's production:

Garrett Brown is a successful business man and the father of grown sons and daughters, but he is a boy at heart, and is blessed with that rare gift of perception that some of us denominate as a sense of proportion which enables him to see and understand the seriousness of the childish mind and the pleasure of the childish heart in all sorts of magical lore. He remembers his own boyish love of fantastic stories, and he knows that "just stories" are far more acceptable to the child than stories with a moral, and being possessed of a most fertile imagination he is just the man to write fairy tales. Certainly he has accomplished a great success in those he has written. All of them are charming stories, full of marvels and enchantment, but with just enough of human nature to bring them down to everyday comprehension. They are told simply, in an original style, and in a way that renders them entertaining to grown-ups as well as to children. But the best of all is that they are genuinely American. The scenes of all of them are laid in America, and North America at that, and many of them account for some natural or ethnological marvel which science has never satisfactorily explained.

A decision has been handed down by Justice Sawyer, of the Supreme Court, at Rochester, N. Y., dismissing the complaint of the **Spring Garden insurance company** against Remi Miller, its former agent in Rochester, who three days before the conflagration of February 26, 1904, issued a policy on the stock of the Beadle & Chadburne Company, which already had a policy for a like amount in the company expiring within a month. The company held that Miller had no right to issue the policy before the expiration of the earlier one. On the first trial of the suit the company recovered a judgment for $2,600. On appeal a new trial was ordered. Justice Sawyer, in his findings of fact, says: "I find from a careful examination of the whole case that the defendant was not only authorized to issue the policy, but that the plaintiff ratified and adopted his acts in so doing." As conclusions of law Justice Sawyer finds: "That the defendant was warranted in acting upon the instructions of the special agent, Mr. Gove, and was authorized to issue the policy; that the plaintiff ratified and adopted the defendant's acts in issuing the policy; that the defendant is entitled to judgment dismissing the plaintiff's complaint, with costs."

The **Southern Guaranty Company** of Louisville, Ky., a life insurance agency concern controlled by Ed. L. Williams, has brought suit against the Security Life insurance company of America for $125,000 in damages, subject to a credit of $4,742.-90, making various charges of breach of contract. According to the petition, Mr. Williams entered into a contract with the defendant on October 16, 1907, under the provisions of which he agreed to become its general agent for all the Southern States, with the exception of Virginia and Maryland, and that three days after the execution of the contract he made over his interest in it to the plaintiff in the suit, with the consent and approval of the defendant. The plaintiff says that in organizing the various States in its territory for the purpose of pushing the defendant's business $30,000 was spent. This money went to pay traveling expenses of agents and other items incident to the work, according to the petition. The contract, it is alleged, was to have covered a period of twenty years, and embraced a series of commissions on original business and renewals. The amount of damages asked includes $30,000 above mentioned, while the $4,742.90 mentioned is made up of "nets" due the defendant.

The **estimated loss by fire in the United States and Canada** in the month of August, according to the compiler of the *Journal of Commerce*, was $23,123,000. The comparison of losses of 1906, 1907 and 1908 in the first eight months of each year is as follows:

	1906.	1907.	1908.
January	$17,723,800	$24,064,900	$29,582,000
February	18,249,350	19,876,600	18,489,700
March	18,727,750	20,559,700	16,723,300
April	292,501,150	21,925,900	26,009,000
May	16,512,850	10,286,300	15,181,150
June	13,950,650	14,765,000	19,512,000
July	12,428,050	18,240,150	15,323,750
August	9,641,600	20,248,000	23,123,000
Total	$399,735,200	$155,966,550	$164,604,500

Our contemporary says:

During the month of August there were 272 fires which caused a loss of $10,000 or over in each instance. * * The losses in August were on well insured property, and it will be seen that the fire underwriters have suffered severely in a month which is usually one of the most profitable. It is fortunate for quite a number of fire insurance companies that security values have advanced materially this year.

After all, **Insurance Commissioner Beedle** was **beaten** in the Republican primaries for renomination last week. James E. Abbott, of Madison, received a majority in the State of about 400. A Madison dispatch says:

Abbott received 5,089 majority votes in the thirty-nine counties which he carried. Beedle carried thirty-one counties with a majority aggregating 4,694 votes. This gives Abbott a lead of 393. Forest County, the only county missing, is near the former home of Abbott, and he probably carried it by a small majority. The largest majority vote given Abbott was in Milwaukee County, where he received 768, and the smallest majority vote given in any county was five in Oneida. Beedle received a majority of 982 in Waupaca County, his home, and the smallest majority vote of any county was one vote in Lincoln. Indications are that the contest was a sharp one in all the counties and in twenty-eight counties the majorities given are fewer than 100.

It was understood that ex-Speaker Ekern, the insurance baiter, who was defeated for renomination for the Legislature—by the insurance and liquor interests, his friends say—would receive the appointment of deputy insurance commissioner should Beedle be re-elected. The boat for Salt River has taken them both.

A new **option** has been added to the **endowment contracts** of the **Travelers** of Hartford, which provides that on the maturity of an endowment the insured may take a paid up policy for life for the face of the contract and an annuity beginning at age sixty-five. In case the insured dies before reaching the age of sixty-five only the amount of the paid-up policy is paid to the heirs. A substantial income is thus provided for the declining years of life. For an assured having attained the age of thirty at the maturity of the endowment the amount of life annuity which is paid beginning with age sixty-five is $405.60. At age fifty-five an annuity of $84.90 is due the assured from year to year after reaching age sixty-five. A similar arrangement may be made for maturing a twenty payment life contract, only the annuity is considerably less owing to the smaller premiums paid at the earlier ages. In the twenty payment life contracts the age of the assured at the issuance of the contract is considered. Thus a policyholder who took out his policy at age twenty-five would receive an annuity of $74.18 after reaching age sixty-five.

A fire on the third floor of the six story factory building at 552 to 556 State street, **Brooklyn**, gained rapid headway on

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Wednesday night owing, it is said, to **lack of sufficient water pressure.** Five alarms were sent in by Deputy Fire Chief Lally. For ten or fifteen minutes after their arrival the firemen were unable to throw streams of water into the flames, and even after that time the pressure was not up to the standard. The water tower threw a spray of water which might almost have come from an atomizer, so small was it. The damage was estimated at $75,000 to the building and stock of the Empire Cork Specialty Company. The factory is owned by Percy G. Williams, the theatrical manager. At Brooklyn Fire Headquarters it was stated that the factory lies just beyond the zone served by the high pressure water supply system recently installed, and that this system was not called into use.

A touching **tribute** to the **late John A. Hall,** president of the Massachusetts Mutual Life, is contained in the public announcement of his death sent out over the signature of Vice President H. M. Phillips, who says:

So suddenly has this irreparable loss come to us that we cannot herein attempt to pay adequate tribute to our departed chief. Briefly let it be said that in 1872 he was appointed a general agent, in 1879 was elected a director, in 1880 was appointed superintendent of agencies, in 1881 was elected secretary, and in 1895 was placed in the presidential office. Into the structure of the Massachusetts Mutual, there permanently to endure, have been wrought the products of his great and varied ability during the almost forty years of his service; and his persisting faithfulness, his ideal integrity, his fine sense of justice, and his never wavering loyalty, now in the full force of their influence upon all who were his business associates, will, far into the years to come, be a living inspiration to all connected with our institution.

In response to the request of a number of the insurance commissioners that the **policyholders of** the **Provident Savings Life** be given at least five representatives on the reorganized **board of directors,** President Langham states that there are already six policyholders on the board. The appointment of two more directors representing the policyholders is under consideration, and appointments have been tendered to George W. Law, of Chicago, and W. T. Knott, of Nashville. Mr. Law is a member of Law Brothers, Western managers of the Royal of Liverpool, and is president of the Western Union. It is expected that the remainder of the year will be devoted to reorganizing the affairs of the company and placing it on a sound basis, so that it can resume the writing of business January 1.

The new **Insurance Commissioner of South Carolina** made his first appearance at a national convention of insurance officials at Detroit, and immediately took rank as an active participant and good fellow. Instead of going home after the convention he went fishing, and the Charleston *News and Courier* has the following account of his wonderful success, authenticated by his own solemn statement:

Fitz Hugh McMaster, the South Carolina State Commissioner of Insurance, has been fishing up in Alexandria Bay, New York. He has sent us a photograph of his catch, three fish weighing altogether 67¼ pounds. One of the fish brought down the scales at 9 pounds, another at 15 and the third, which was evidently caught by the commissioner, 43¼ pounds. We have the picture to prove it, but it must have been a great surprise to the commissioner, who never caught anything bigger than a minnow in his life. Nearly everybody who goes off on a trip of this sort has a wonderful experience.

The first fall meeting of the **New York Fire Insurance Exchange** was held on Wednesday, at which time the executive committee reported on the application for membership of William Sohmer & Co., who are agents of the German Alliance and Pelican, that it did not like to make a report, as Mr. Sohmer was a branch manager. Accordingly they referred the matter to the Exchange. Notwithstanding, this question was referred back to the executive committee to pass on Mr. Sohmer's eligibility. The application of Kelly, Fuller & De Rivera for the admission to membership of the Pittsburgh Underwriters was denied by vote. Section 18 was amended by striking out the words "their respective districts" and inserting in their place "the Borough of Brooklyn."

The **separation** of the duties of **Insurance Commissioner** from the office of State Auditor is again being agitated in **Iowa,** and it is believed that the bill to this effect now waiting introduction in the Legislature, which meets in January, will finally go through. Two years ago a similar bill was introduced, which after passing the Senate was killed in the House. The present bill provides for the appointment of the Insurance Commissioner by the executive council subject to the approval of the Senate. By this means it is hoped to take the office somewhat out of politics. It is estimated that taxes are collected from the insurance companies approximating $400,000. It is claimed that for an extra $8,000 or so a separate insurance department can be conducted.

The **Attorney General of West Virginia** has rendered an opinion on Chapter 32 of the insurance law of 1908 relating to **fraternal beneficiary associations.** The law provides among other things that no license shall be issued to any foreign association which collects from any of its members assessments or payments for death benefits lower than those required by the National Fraternal Congress mortality table of 1900, with interest at 4 per cent. per annum; provided that this clause shall not apply to fraternal beneficiary associations organized prior to January 1, 1885. The Attorney General holds that the Legislature had no right to discriminate between associations organized before and after 1885.

A new form of policy by which the beneficiary of a **Massachusetts savings bank contract** will receive $500 in any case has been prepared by Actuary Hunter, of the Massachusetts Insurance Department. This was done to meet objections that had been made to the life and annuity policy issued under the savings bank insurance law, which provides that in case of the death of the policyholder on attaining sixty-five years of age and after receiving the first annuity payment of $100 no further payment would be made, while if the policyholder had died the year previously the beneficiary would have received the sum of $500. To cover the additional benefits a slight increase has been made to the rates.

On Wednesday last there was launched at Syracuse, N. Y., an old line life insurance company to be known as the **Sterling Life insurance company** of Syracuse. Articles of incorporation have been approved by the Insurance Department. The company will have a capital of $2,000,000 and will draw its directorate from among prominent business men of Syracuse. Among those mentioned as being back of the company is C. E. Channell, one of the organizers of the Buffalo Life insurance company, a small concern in Buffalo. Leonard H. Groesbeek, George W. Driscoll, Theodore E. Hancock, John R. Clancy, Loyal A. Wilson and George D. Galphin are also interested in the new company.

The Board of Underwriters of the Pacific, at a recent meeting in San Francisco, decided to restore old **insurance rates** in **Portland, Ore.,** as soon as the electric wiring complained against had been corrected. The change desired by the insurance companies in the wiring of business property will be completed in about two weeks, when the increase of 25 per cent. in the premium charges on this class of risks will be removed. Charging that a majority of the buildings in the business district of the city are supplied with defective elec-

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tric wiring, the insurance companies about two months ago announced an arbitrary advance of 25 cents on every $100 of insurance on all such risks.

The **Indiana State Board** has a rule that **local inspectors** shall not go into the fire insurance business within five years after they resign, on the ground that much of the information they secure in their official position is confidential. Fred Levering resigned as inspector at Lafayette, following a reduction in his salary due to the new extension of the Sellers bureau to Lafayette. He claimed that the Board had practically broken his contract, and that he was therefore freed from obligation, and took the agency of the Connecticut, Agricultural and several other non-Union companies. An effort is being made to have the rule enforced.

"The Hudson Underwriters" is the title of a new underwriters' agency which will shortly begin the issuance of a policy guaranteed by the Lumber and Adirondack Fire insurance companies of New York. The plan contemplates no change in the present method of handling the specialized business of the two companies, it being the intention to carry on as heretofore their lumber and woodworking department, which constitutes by far the larger part of the business. The Hudson Underwriters' policy is backed by aggregate assets exceeding $900,000. Newman & McBain will be the metropolitan district agents.

The **Associated Fraternities of America,** at its annual convention at Chicago last week, selected Omaha as the next place of meeting and elected the following officers: President, J. C. Root, Omaha; vice president, E. W. Donovan, Detroit; secretary and treasurer, Capt. C. H. Robinson, Washington, D. C.; executive committee, the above officers and Frank P. Tyler, New Haven, Conn.; Robert Rexdale, Rock Island, Ill., and past president Thomas B. Hanley, of Des Moines. President Root is the founder of "Woodcraft" in America and sovereign commander of the Modern Woodmen of the World.

Having **paid** its **fine of $2,000** imposed by the California Insurance Department because it did not comply with the order of the commissioner and supply him with a list of policyholders on property in the burned district of San Francisco, the Westchester Fire of New York has received its new license to do business in California. When a call was made on the companies to comply with the requirement the Westchester replied that it had mailed to every policyholder a notice of the amount of his insurance in the burned district. The case has been dragging on for some time.

The **New York Life** paid 582 **death claims** in August, amounting to $1,688,750.06. The following diseases caused death: Consumption, 85; pneumonia, 22; bronchitis, pleurisy, etc., 8; typhoid fever, 22; other diseases of digestive organs, 31; Bright's disease, 61; accidents, 40; apoplexy, 32; nervous prostration, congestion of brain, etc., 4; spinal disease, 6; heart disease, 56; diseases of arteries, 5; appendicitis, 11; rheumatism, 1; cancers and tumors, 34; paralysis, 23; diabetes, 5; liver disease, 13; old age, 6; blood poisoning, anemia, etc., 9; all other causes, 108.

A Southern negro whose wife and child were in the South, having left him in New York, where he was out of work, essayed to raise money last week by **selling out to the insurance companies.** He had $500 of insurance written on the furniture in his flat, so he set fire to a couch, hoping in this manner to raise sufficient money to go South. A still alarm was sent in and the blaze extinguished. An investigation by Charles O. MacCarthaigh, an assistant fire marshal, caused the arrest of the negro, who gave the name of Neal Hughes, and his home as Virginia.

That it is dangerous from a fire insurance standpoint to **pile lumber too closely** was again demonstrated at the recent lumber fire at Cleveland. While the loss there under the general form will fall under 10 per cent., the lesson taught should be well heeded. The firemen claimed that they were unable to fight the blaze to advantage because they were unable to get between the piles of lumber. The authorities at Cleveland are said to be preparing an ordinance requiring that a larger space shall be left between piles hereafter.

The **local agents** in the **South** are disposed to carry on their campaign for increased **commissions** in spite of the unsatisfactory answers they have received from both the South Eastern Underwriters' Association and the Eastern Union. The secretary of the latter organization has written that its members believe that the South Eastern Underwriters' Association should pass upon the question, or that it should be taken up direct by the agents with the companies they represent.

The **Insurance Directory of Greater New York,** Newark, Elizabeth, Jersey City, Bayonne and Hoboken for 1908-9 has just been issued by the *Insurance Record*, and with this number the book celebrates its twenty-seventh anniversary. The directory shows the financial condition of all New York and New Jersey fire, life and casualty companies, and gives a carefully revised list of managers and agents transacting business in the territory covered. The book is admirably adapted for handy reference.

As a result of the two recent fires in the Fullerton and the Century buildings in St. Louis, both **fires originating in the waste paper room,** an order has been issued by the St. Louis Fire Department Bureau to enforce the rule prohibiting the storing of large quantities of waste paper in the janitor's rooms and attics of office buildings. The accumulation of waste paper in a large office building in one day is enormous, and should be removed every day.

The report of the examination of the **Masonic Mutual Life Association** of Washington, D. C., recently filed by the Insurance Department of the District of Columbia, gives the concern a clean bill of health, and adds:

> The management is economical and the association has a most honorable record in the matter of settling its claims, paying the same promptly and in full, and never compromising them. The books and accounts are well and accurately kept.

Three **New Orleans business men** have been **indicted** by the grand jury on the charge of **arson** in connection with the fire in that city several days ago which burned over three city blocks and caused a property loss of a million and a half. They are Julius Lipps and Abraham Wolf, secretary and treasurer of the Central Glass Company, in whose plant the fire started, and John Eckert, an employee of that concern.

The financial statement of the **Bankers Reserve Life** of Omaha, Neb., as of June 30, 1908, is printed in another column. The statement shows total resources of $1,373,702.15 and "excess security to policyholders" of $345,140.80. The company has insurance in force amounting to $20,011,658.50, and in the past six months paid $44,000 in death losses. Dividends paid in the six months' period were $30,775.65.

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The **National Life of the U. S. A.** reports a **renewal income** for the first seven months of 1908 of $906,588, an increase of $84,259 over the same period last year. The excess of income over expenditures during the seven months was $643,186, a gain of $112,643. An increase of $50,000 in surplus has also been made. The National is now making practically all its investments in first farm mortgages.

A **new building** is being erected by the Commonwealth and Austin fire insurance companies of Dallas, Tex. The building, together with the grounds, will cost over $25,000. The structure will be in the "Mission" style, of buff St. Louis brick, with conventional red tile roof. It will be of slow burning construction, with a fireproof wing, in which all maps and records are to be kept.

The new **International Life** of St. Louis, Mo., has elected the following officers: J. L. Dabler, president; Preston P. Shaw, vice president; Harry M. Rubey, Macon, Mo., treasurer; Bailey Wilkinson, secretary. Mr. Shaw left the Great American Life a few days ago to go with the newer company. Mr. Rubey is chairman of the Democratic State Committee of Missouri.

An Austin, Tex., press dispatch says that **Judge Robertson,** "the author of the insurance law which has caused twenty-one companies to withdraw from the State, is to present to the next Legislature some amendments to the act so as to make the law more lenient with outside companies, which may result in some of those companeis coming back to Texas."

The **Great American Life** of St. Louis, which will begin business during the month, will write exclusively on the **non-participating basis,** with policies providing for a fixed reduction after the first year's premium. The medical examiners will be given a contingent interest in mortality savings, with a view to securing superior selection.

At the Vermont State election last week Guy W. Bailey was elected Secretary of State and Edward H. Deavitt State Treasurer. These officers are ex officio State **Insurance Commissioners of Vermont,** and their official terms begin in October. Mr. Bailey succeeds Frederick G. Fleetwood, but Mr. Deavitt is the present treasurer.

The Hypo Hippodrome Company, of Cleveland, has included an **adjustment clause** in its form which is being **turned down** by the companies. This provides that each company will pay on the basis of the adjustment agreed upon between the assured and the majority of the licensed companies on the risk, at the time of any loss.

According to the Minnesota Insurance Department certain fire insurance companies have recently been adding a **hail rider** to their **tornado policies.** In many cases the companies are not authorized by their charters to write hail insurance, and the department has ruled that such companies must no longer attach these riders.

The **United States Annuity and Life** of Chicago has secured the services of **Zeno M. Host** as director of agencies, with headquarters at the home office. Mr. Host was formerly Insurance Commissioner of Wisconsin, and until his present connection has been manager of the insurance department of the Knights of Pythias.

Mayor Horacilo Mendosa, of Cayey, Porto Rico, has been **arrested** on the **charge of arson.** He began a suit against the Liverpool and London and Globe and Palatine for insurance on his property damaged by fire, and being suspected of having caused the fire his arrest followed. He was held under $10,000 bail.

Seventeen life and fire companies, having failed to file their **semi-annual statements** with the **Georgia Insurance Department,** have been automatically debarred from doing business in that State until next January, when they may take out new licenses. A number of these companies have gone out of business.

The **Epperson agency** at Nashville, Tenn., which was attacked at the recent meeting of the National Association of Local Fire Insurance Agents, has **issued** a **statement** in defense, in which it denies the charges and claims that an illegal boycott has been declared against it by the Nashville Board.

Agitation is increasing to secure a **reduction in rates for** the stucco or **plastered dwelling** now rated the same as frames. In many States twice as many plastered houses are being built as ordinary frames, but so far the companies have declined to grant the concession in rate asked for.

Owing to the increased **valuations of bonds** held by **Texas** insurance companies and companies doing business in Texas, claims for taxes on the 1907 valuations alone of more than $10,000 have resulted, and if back taxes are collectible much more will result.

The repeal of the **special deposit law in Oregon** is looked for at the next session of the Oregon Legislature. A number of fire insurance companies have held aloof from that State on account of the $50,000 deposit required under this law.

The **St. Louis Association of Fire Insurance Agents** is preparing to drop from membership all side line agents who do not devote their time chiefly to fire insurance, most of these being real estate brokers and small merchants.

A number of companies have been extending **separation in South Dakota** with a view to securing absolute separation. Several companies have objected to this, preferring to pay 15 per cent. only in certain mixed agencies.

The Chicago agency of the **Southern of New Orleans** has been secured by A. Loeb & Sons. General Agent Hendry, of Chicago, relinquishes control of the city, and the new agents will report direct to the home office.

The stockholders of the **Germania of New Orleans** have decided to accept the proposition of the Teutonia of New Orleans to buy the Germania on the terms previously announced in these columns.

The new **International Life** of St. Louis has elected J. L. Babler president, Bailey Wilkinson secretary and H. M. Rubey treasurer. Mr. Rubey is chairman of the Democratic State Central Committee.

The **wholesale grocery** of the L. Patterson Mercantile Company, at Mankato, Minn., has been equipped with **Rockwood 1908 sprinklers,** with a reduction in rate from $1.44 to 35 cents.

A proposition to place **rate affairs in Louisville,** now under control of the local board, under an independent bureau was

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submitted recently to the board, but met with many objections.

The **Reliable Life** of Indianapolis has placed on the market a new set of policies at non-participating rates. All the company's policies are now written on this basis.

The application of O. P. Conaway, representing the **Walla Walla of Washington,** for membership in the Chicago Board of Underwriters has been approved.

The **Security Fire Underwriters** is the name of a new Lloyds organization at Chicago. The attorney and manager is D. Regensburg.

The **Underwriters' Association of New York State** will celebrate its twenty-fifth anniversary with a banquet in this city November 10.

Quebec will be the scene of the next convention of the **Life Underwriters' Association of Canada,** to be held on September 16 and 17.

The **Rhode Island insurance company** of Providence has been licensed to write fire business in Minnesota.

The **Standard Mutual Life** of Durham, N. C., has filed articles of incorporation at Raleigh.

The German American has **reinsured** the **North Carolina Fire** of High Point.

The **St. Louis Fire** is preparing to increase its capital stock.

Personal.

AGENCY APPOINTMENTS.

Ben Franklin of Allegheny: Ward & Crawford, New York city agents, succeeding Edward Cluff, the same firm becoming also general agents for New Jersey.

Connecticut Fire: J. T. Dargan, Jr., special agent and inspector in the Southeast.

Georgia Home of Atlanta: J. A. Parrish, of Dallas, Tex., special agent for the States of Alabama, Louisiana and Mississippi, with headquarters at Jackson, Miss.

Independent Life of Nashville, Tenn.: William E. Luke, general agent in Nashville.

Norfolk Fire Insurance Corporation: Gough & Best, general agents for the Pacific Northwest, with headquarters at Seattle.

United American Fire of Milwaukee: Alfred M. Waldron, of Philadelphia, Eastern general agent.

Mr. Louis S. Morgan, for forty years connected with the Home insurance company as special agent, adjuster, State agent and manager of its New York State farm department successively, died at his home in Syracuse, N. Y., on September 4, aged seventy-four years. Death resulted from results of amputation of the left leg recently performed, and from which Mr. Morgan never fully recovered.

Mr. Claude F. Snyder, the retiring secretary of the Kentucky Board of Fire Underwriters, was on August 31 presented by the office and field force of the board with an elegant gold watch. The back of the case is decorated with an engraved monogram, and the inside with a suitable expression of the high personal regard by which Mr. Snyder was and is held by his business associates.

Secretary R. N. Trimingham, of the Chicago Underwriters' Association, was presented with a cluster of roses and a purse of gold on the occasion of his seventieth birthday, which he attained on September 2. He has been secretary of the association and its predecessors since 1881, and identified with Chicago insurance interests for over forty-two years.

Mr. H. L. Ekern, Speaker of the last Wisconsin Legislature, who was one of the bitterest enemies of the insurance companies in the legislation passed, has been defeated for renomination at the primaries. Insuranc Commissioner Beedle was renominated by a small majority.

Col. A. H. Wray reached the twenty-fifth anniversary of his connection with the Commercial Union of London Saturday, and in acknowledgment and appreciation of the event the staff of the company presented him with a handsome silver tea service.

Mr. Ernest J. Miller, formerly manager of the burglary insurance department of the Ætna Indemnity of Hartford, has been appointed assistant manager of the burglary insurance department of the National Surety of New York.

Judge Henry L. Palmer, former president of the Northwestern Mutual Life of Milwaukee, now chairman of the executive committee, is on his vacation. He will be back for the quarterly meeting of trustees on October 15.

Mr. P. W. Ward, general agent of the Ocean Accident at Cleveland, Ohio, has resigned, and will after October 1 devote his whole time to the Cleveland Life insurance company, of which he is president.

Mr. E. C. Schnabel was selected as chairman of the executive committee of the New Orleans Life Underwriters' Association at a meeting of that body on September 4. E. J. Jacquet was elected secretary.

Mr. J. C. Van Blarcom, president of the National Bank of Commerce of St. Louis, who died last week, had among other insurance a $50,000 policy in the Equitable Life, taken out in 1889.

Rudolph G. Leypoldt, formerly of Newark, and latterly with the Scottish Union at Hartford, has joined the Ætna insurance company and will travel through the cotton districts.

Mr. M. F. Zent has resigned as manager of the East St. Louis compact office, and Fred D. Hess, formerly with the Peoria Inspection Bureau, has been appointed his successor.

Mr. R. L. Philips, recently with the Standard Oil Company in Brunswick, Ga., has joined the agency of Hoyt W. Gale & Co., the largest insurance agency in Brunswick.

Mr. Philip Mesny, manager of the George L. McCurdy agency, is now writing surplus business for the United London and Scottish Insurance Company, Ltd.

Dr. T. Hewson Bradford has retired from practice, and will hereafter devote his attention wholly to his duties as medical director of the Philadelphia Life.

Mr. Henry S. Munson, for many years general agent of the Ætna Life of Hartford at Buffalo, N. Y., died last week of heart disease, aged seventy-one years.

United States Manager Carl F. Sturhahn, of the Rossia insurance company, has sailed from Hamburg on the Deutschland for the United States.

Mr. J. B. Norris, of Wilkes County, is the Republican candidate for Insurance Commissioner of North Carolina in the November election.

Mr. M. W. Fugit has been given the representation for surplus lines of the Property insurance company of London for fourteen States.

Casualty and Surety Insurance.

Unusual accidents of the week are as follows: The motorman of a New York street car was hit in the eye by a stray bullet as he was running his car down Eighth avenue, New York city; while passing an automobile garage a girl was struck by some blazing rubbish which was thrown from the doorway, and the gasoline saturated waste burned her so badly as to cause her death; the premature explosion of some dynamite in a stone quarry caused serious injury to two workmen; a woman whose clothes were set on fire by the kerosene she was using to light a fire in a stove saved herself by jumping into an irrigation ditch; while working at the bottom of a shaft a workman was struck by a stone laden bucket which suddenly descended and his spine was fractured; falling asleep in the window of her home, a woman fell to the pavement and broke a rib, but was saved from fatal injuries by striking the wooden handle of a child's auto; while pouring coal oil on an already lighted fire to make it burn faster a Pennsylvania woman was spattered with the burning fluid and died in agony; while climbing a tree for squirrels a farmer fell to the ground and was picked up dead, having broken his neck and shoulder blade in the fall; a pedestrian run down by a street car had his windpipe severed, but his life was saved by supplying a silver tube for him to breathe through; in running under the hoofs of a pair of horses drawing a van in order to get his ball a boy was killed; a marksman in a shooting gallery missed the target and the bullet lodged in an attendant's leg; a pistol kept under a man's pillow to hunt burglars was accidentally discharged by striking the floor while the owner was romping with his children, and the bullet struck an eighteen months old girl in the abdomen, killing her at once; a watchman at a Lutheran church in course of construction missed his footing while crossing an unfinished floor, and, falling to the basement, broke his hip; a son of a New York policeman was knocked down by an auto truck while running to catch a car and was instantly killed: a twelve year old boy had one eye gouged out when the shaft of a wagon of a runaway team penetrated his eye; in trying to pull into his boat a giant eel a Delaware River fisherman was yanked out of the boat and drowned; as a result of pick-

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ing open a blister in the palm of his right hand a week ago an Altoona, Pa., man may lose his arm from blood poisoning; a Salem, N. J., glass worker was struck by a flywheel while soaping a belt and his neck was broken and his skull crushed; as a result of a telephone pole falling against a passing street car in which was a woman holding on to a strap with her baby in arms, a panic ensued and the woman was knocked down and the baby killed; an army officer designated to watch the trials of the Wright aeroplane at Washington, D. C., was struck by a 200 pound weight used in the tests to give the machine its start; thinking that his drowning struggles were merely an imitation to make them laugh, three friends of a drowning man watched his death struggles in the water; the explosion of an oil lamp which set fire to a baby's dress caused the death of the infant, whose clothes were burned off of her; a street car in rounding the curve at Union square, New York city, ran into a ditch and broke both legs of an employee who was working there, causing fatal injuries; the superintendent of a Colorado electrical company was killed by being struck by a flyweel, which he walked into unwittingly when the lights in the plant were suddenly extinguished; falling backward off a stone coping into an areaway, a workman broke his back and lingered eight weeks in agony.

A meeting was held on Wednesday of this week at the Lawyers' Club in the Equitable Building, in New York city, which was attended by representatives of fifteen companies writing liability insurance, who were interested in some concerted action being taken by the companies to enforce the **collection of liability** and other insurance **premiums.** As a result resolutions were drawn up to take effect September 15 to cancel all policies not paid for within sixty days. Edson S. Lott, of the United States Casualty, was chairman of the meeting, and Chauncey S. S. Miller, of the Casualty Company of America, secretary. A committee, consisting of William J. Gardner, of the Ætna Life; Edmund Dwight, of the Employers' Liability, and George E. Taylor, of the New Amsterdam Casualty, was selected to present the matter to the local representatives of companies not at the meeting. The agreement, having been signed by the fifteen companies present, will be mailed to the 8,000 brokers in the city. The system will be extended to all companies writing classes of insurance other than fire, marine and life. The resolutions were as follows:

The undersigned in behalf of their respective companies have adopted the following rules in regard to the payment of premiums which will become effective as to all policies placed on or after September 15 by or through the New York offices of their respective companies: 1. All premiums shall be due upon the delivery of the policy, and if not paid by the 10th of the second month following the month in which the insurance takes effect, notice of cancellation as required by the respective policies shall be sent to the assured direct not later than the 12th of the said second month, or if the 12th falls on Sunday or a holiday, then the next working day, and if the premiums be not paid within five days following the service of such notice the policies shall be cancelled and notice that they have been cancelled shall be sent to the assured direct. 2. Additional premiums charged under indorsements on current policies shall be treated in the same manner as if they were original premiums, and will subject the entire policy to cancellation for non-payment within the time prescribed in Rule 1. 3. Additional premiums which may become due on liability policies, after the expiration of the policies, are due immediately upon the adjustment of the account. If not paid by the 10th day of the month following such adjustment of account, they will be dealt with by each of the undersigned companies in accordance with their respective rules.

The *Monthly Bulletin* of the Fidelity and Casualty discusses the relation of **masked burglaries** to **time locks** in the current issue, noting also several specific instances where trouble occurred. The article says:

On account of the information contained in the daily reports, upon which policies are issued, the burglary department is familiar with the safe and vault equipment of many thousand banks throughout the country. Experience shows that the average protection possessed by them is only about 75 per cent. as secure as it should be. The three causes of this insecurity are: First, the misrepresentations of the safe manufacturers; second, the ignorance of the banks; and third, the desire of the banks to save money by purchasing inferior equipments. When a bank purchases a safe of inferior make as the result of ignorance or misrepresentation and loss occurs, the bank may be condoned but not excused. When it purchases an inferior safe in order to save money and a loss occurs, the bank should be neither excused nor condoned, but should be severely condemned for its penny wise and pound foolish methods. The explanation of this expensive economy is that some bank officials are willing to take the chances that their safe, if attacked, will offer effective resistance; such bankers consider themselves an exception to the well established rule that the chances of attack and the probability of success if attacked increase in proportion to the decrease in effectiveness of equipment. The most common form which this false economy takes is probably the omission of the time lock. In the three following masked burglary cases the first two banks did not have time locks on their safes, whereas the third one did. These robberies are typical cases and clearly indicate the pros and cons of the time lock. They are as follows: The Northampton Bank, Northampton, Mass., January 25, 1876; the Ballard County Bank, Bandana, Ky., April 25, 1908; the First National Bank of Ada, Ada, Ohio, July 20, 1908. In the interim between January, 1876, and July, 1908, many such robberies have occurred, but these three instances are sufficient to show the actual manner in which masked burglaries are perpetrated and the necessity of time locks.

The **election of officers** which closed the annual meeting of the **Detroit Conference** at the Clifton House, Niagara Falls, on Friday last, resulted as follows: President, L. H. Fibel, Great Eastern Casualty; vice presidents, L. O. Chatfield, National Casualty, and R. R. Koch, American Assurance; secretary, W. H. Howland, United States Accident, and treasurer, D. E. Stevens, Commonwealth Casualty. Executive committee, C. H. Boyer, General Accident; J. B. Pitcher, United States Health and Accident; H. G. B. Alexander, Continental Casualty; V. D. Cliff, Federal Casualty; W. H. Jones, Equitable Accident; A. E. Forrest, North American Accident, and D. E. Thomas, National Casualty. It was left to a committee to decide the place for the next meeting, which will likely be held in Boston. The next annual meeting is expected to be held in Detroit.

In a circular announcing the plans of the **Consolidated Casualty Company** of Philadelphia occurs the following clause under the heading of "Experienced Management":

It is prescribed by bylaw that the president, who will have charge of the underwriting management, must have had at least three years' experience as president of a casualty company. One of the most energetic and best known insurance executives of the country, a gentleman of national reputation, will be the president, and is meanwhile giving the company the benefit of his wide experience and influence.

Likewise, further on in the circular:

An experienced underwriter, with a national reputation, has consented to lead this movement. Through his influence hundreds of thousands of dollars in premiums and valuable agency connections have been secured for the new company.

Wonder if the above refers to the present head of a well known casualty company of Philadelphia!

The Fidelity and Casualty has collated reports of thirty-four **elevator accidents** which occurred from July 14 to August 23, all of which show that a number of causes operated to cause the accident. Below are given a few cases: Boy's foot caught in elevator; car fell on man; boy caught between floor and building; bolt broke and man hurt when car fell; cable broke and car fell; car floor fell out; man crushed to death in shaft; elevator dropped four stories; man struck by elevator; boy's foot crushed in sidewalk; man fell down shaft; boy struck by descending weights; man's back crushed in freight elevator. All of which goes to show that the elevator hazard is still a real one.

What is believed by its publishers to be capable of fulfilling a long felt want is the **"Liability Investigators' Handbook,"**

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published by the Spectator Company and compiled by Howard W. Dilg. It is a manual to guide investigators and adjusters of claims under liability policies, and its author is well acquainted with the methods in vogue from his connection in a similar capacity with a large liability insurance company. The subjects or kinds of accidents are treated of alphabetically and the reader is shown what questions to ask and what steps to take in the various contingencies. The book contains about 100 pages and should prove very helpful to investigators, as there is scarcely any kind of accident which is not treated of in the volume.

The crop of **new casualty companies** is flourishing. The latest is the Colonial Accident and Casualty insurance company of Philadelphia, now in process of organization by L. V. Gilliam. The new company will have a New Jersey charter and will have its head office in Philadelphia. It will have an authorized capital of $2,000,000 and a net surplus of $1,000,000. Stock will be sold on the monthly installment plan at $15 per share, par value $10. The American Trust Company of Philadelphia is depository. The present organization office is in the Land Title Building.

It is reported from various sources that the recent offer of the Massachusetts Bonding of Boston to the stockholders of the **Federal Union Surety** of Indianapolis to **purchase** the latter company on an exchange basis, giving two shares of Massachusetts Bonding stock for each share of Federal Union stock, will not be accepted by the stockholders of the Indiana company. The Federal Union is now in its eighth year. It has a capital of $300,000 and a net surplus of $32,163, according to the company's statement as of December 31, 1907.

The **German Commercial Accident** of Philadelphia has just issued a new popular premium travel and limited health policy with a weekly indemnity of $15 per week for certain accidents, and also a sickness indemnity of the same amount. The sickness indemnity is paid to the extent of four weeks in case of total disability only. The principal sum is $2,000 and the premium $5 for that amount. There is also included the $25 immediate relief and identification benefit. The policy is issued in attractive form and should prove a good seller.

An accident company which proposes to do an industrial life insurance business has applied for a State charter in Louisiana. The company is known as the **Lumbermen's Accident Company** of Louisiana. It has a proposed capital of $35,000. The officers and board of directors of the proposed corporation are to consist of Lynn Dinkins, president; John Dibert, vice president; James E. Warner, secretary; Charles H. Black, treasurer; Fritz Salmen, L. H. Price and A. T. Gerrans.

At the **meeting** anonymously called at the Hotel Manhattan on Friday last a number of **surety companies** were represented. The brokerage question and rebate evil were considered, and it was the general opinion expressed that a standard compensation for brokers should be adopted. A committee of four which was appointed to prepare a plan will report at a meeting to be held later in the month.

A **conference** of representatives of various **surety companies** is being held at the Bellevue-Stratford, Philadelphia, as we go to press. The subject of court bonds is under consideration, the object of the meeting being to bring about more correct methods in underwriting this class of risk. Joint control and uniform methods are under discussion. It is not likely that the subject of rates will be discussed.

Chicago surety men are prominent in **Democratic party affairs** this year. John McGillen, manager of the United Surety of Baltimore, has been elected secretary of the County Central Committee, while George Brenan, associate manager of the United States Fidelity and Guaranty of Baltimore, is on the executive committee and prominent in the conduct of the general Western campaign.

The Fidelity and Casualty's report of **embezzlements** for July totals $954,018. Banks and trust companies lost $755,766 in this period.

The **elevator** in the **Washington Monument** at Washington, D. C., will hereafter be inspected by the Maryland Casualty Company.

Obituary.

Dr. Israel C. Pierson.

Dr. Israel C. Pierson, actuary and insurance journalist, the associate editor of the *American Underwriter*, died at midnight Thursday as a result of a stroke of apoplexy, following an illness of two weeks from Bright's disease, complicated with angina pectoris. Born on August 22, 1843, Dr. Pierson had devoted practically all of his life to insurance. He began in the actuarial department of the Equitable Life Assurance Society, and later became actuary of the Washington Life, resigning in 1905. At the time of his death he was corresponding member of the Institute of Actuaries of France and of the Belgian Association of Actuaries. He was secretary of the Actuarial Society of America 1889-1899 and president 1903-1905. He was also president of the International Congress of Actuaries in New York in 1903. The funeral will be held Sunday at 3 o'clock from his late residence at 733 Wachung avenue, Plainfield, N. J.

Insurance Legislation.

Complete copies of all important bills in the legislatures affecting insurance are on file in the office of THE WEEKLY UNDERWRITER.

Indiana.

INDIANAPOLIS, Ind., Sept. 11.—Governor J. Frank Hanly has called an extra session of the Indiana Legislature to meet in Indianapolis September 18. Among the matters to be dealt with will be a plan to give the Governor extra power to deal with the "night rider" troubles in southern Indiana.

Nebraska.

LINCOLN, Neb., September 11, 1908.—Governor Sheldon will propose in his next message to the Legislature that the Insurance Department of the State be entirely separated from the office of the State Auditor, and that its affairs be directed by a commissioner to be elected and advised by an insurance commission of three or five members. Such a commission exists in Nebraska for the supervision of State banks, and has proved to be satisfactory. It is possible that a complete revision of the insurance laws now in force in Nebraska will follow the creation of the new commission.

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Miscellany.

Fire Insurance Expenses and Commissions—A Southern Editor's View.

(*The Insurance Field.*)

Under the title "The Expense Question in Fire Insurance" the Hon. Eugene J. McGivney, Insurance Commissioner of Louisiana, discussed some very troublesome questions in insurance. It is no reflection on Mr. McGivney to say that he did not succeed in effecting a landing on any question. Even his final conclusion was one wholly out of logical connection with the nature of the business. "We have," said he, "the authority and encouragement of courts for singling out the fire insurance company as a public service institution for State supervision and regulation."

No statement could be more wholly without foundation. There is no such authority or encouragement from any court of last resort in the world. The insurance company is essentially not a public service corporation. Academically some of its operations may be considered from that standpoint, but practically and essentially it is private accommodation, and the safety of the whole undertaking as a business enterprise lies in the fact that the insurance policy is a personal contract. Any company can decline any application for insurance for any reason or no reason. In life insurance every tainted life is rejected, and in fire insurance every tainted risk is either rejected or heavily penalized. If this were not done what would become of rates? They would soar out of sight. The State cannot possibly regulate insurance as a public service institution unless it adopts the business as a State monopoly and levies the losses upon all alike. And no State, even though it monopolized the business, could take the risks of its own citizens as cheaply, as safely and as satisfactorily as the incorporated companies do.

In his criticism of fire insurance Mr. McGivney has taken surface inequalities and variations from statistical tables and treats them as functional wrongs and injustices. No man can argue the insurance question equitably from the face of statistics. He must know the conditions that underlie the statistics. While it is true that the average rate of premium in Louisiana is 1.54 as against only 1.09 for the aggregate in the United States, still that is no proof that Louisiana's rate is too high. Taking in New York for illustration, it only proves that, taking 1.09 as the rate for the aggregate hazards of the United States, the average hazard of Louisiana is as 1.54 to 1.09, while the average hazard of New York is as only .74 to 1.09. If Louisiana should improve her hazards in the same degree she would get New York's rate of .74. There are plenty of risks in Louisiana much lower than that, but not enough to bring up the average.

"It is inconceivable," says Mr. McGivney, "that such disparity in the distribution of the fire tax can exist." We grant it is inconceivable unless there is a satisfying explanation. That explanation is that the disparity is mostly apparent and not much real. The adjustment of the tax is based on the character of hazards, the number of hazards and the common business factor of competition. If the average rate of Louisiana were too high for substantial equity and justice there would be local companies organized to resist it. At this point the character and number of hazards enter. There are not enough hazards of the average safe type in Louisiana to encourage or render economical the organization of local and even mutual companies by property owners for their own defense, if needed. The moment property owners begin to organize for competition they make the discovery that low rates are founded on safe hazards, and the general hazard begins to decline and lower rates follow.

Mr. McGivney introduced in his address a strong plea for uniformity of commissions as a means of reducing expense. The Louisiana agent, he pointed out, received 6 per cent. less commission than some of his Northern brothers, on premiums that were about 10 per cent. more profitable from the standpoint of loss ratio than the average premiums of the country. This is true from the surface of statistics, but it means little. For instance a Louisiana agent who writes $1,000,000 of insurance collects an average of $15,400 in premiums and gets a commission at 15 per cent. or $2,310. The New York agent on the same volume would collect an average of $7,400 in premiums, and would at 15 per cent. receive but $1,110. It must be assumed that the work of writing the insurance is the same in both localities.

It may be contended that there are vastly more property values congested in New York than in Louisiana, and that a million of insurance is more readily obtainable in the former State. But the average standard of risk being much safer in New York there is much greater competition, many more agents, besides brokers, and a much greater cost of living. At 15 per cent., therefore, the New York agent would have to write more than twice as much business as his Louisiana brother to earn the same amount of money out of which to pay higher living expenses. Uniformity of commissions would produce uniformity of statistics, but an injustice and inequality of reward to the man who does the work that would not show at all in the figures. Uniformity of commissions, in order to be theoretically just, would call for uniformity of rate—a consummation no dreamer can expect to see even in a vision.

We have compared Louisiana and New York as representing typical contracts. The difference in rate is caused by the competition in New York. Where there is no persistent and earnest competition there is a lack of initiative to reduce prices. The remedy for Louisiana to seek lies in the encouragement of home competition, and not in trying to regulate the rates and expenses of companies in other States.

Annual Meeting of the Western Union at Frontenac, N. Y. —Joseph H. Lenehan Chosen President.

The annual meeting of the Western Union was held on Wednesday and Thursday of this week at Frontenac, N. Y. The annual address of President Law had for its keynote the new policy of publicity for that body, and the scope of the new bureau was explained by the chairman of the committee, namely, W. N. Johnson, of the Insurance Company of North America. The closer relations established with the insurance commissioners and other State officials following the April meeting have been successful enough to warrant a continuance and the further extension of the idea as regards the public.

Another matter taken up by the president in his address was the subject of expense reduction. He held that unless the companies did this voluntarily the legislatures would force the matter on them later on. The report of the large cities committee also took up the question of expense reduction and urged that this reduction be imposed in the excepted cities. This aroused considerable discussion, as it was pointed out that the start must be made somewhere. The Union companies are pledged to a reduction in the large cities commissions as soon as the co-operation of the desired proportion of the outside companies can be secured.

The report of the governing committee, submitted by its chairman, H. C. Eddy, reviewed the many changes made necessary by the substitution of the advisory rates system for the old method.

Action was suggested on commissions on whiskey in bonded warehouses and on lodge business. G. H. Lermit reported as to the cost and value of the fire insurance patrol services in the various cities, and H. C. Eddy for the committee on fire protection engineering, on the underwriters' laboratories in Chicago and the work of the electrical inspection department. Memorials were adopted for the late J. S. Belden, of Chicago, and Martin Collins, of St. Louis.

At the final session it was decided to hold the April meeting in Philadelphia. No action was taken on the proposed change in dwelling house forms or on the electrical exemption clause. The recent bonded whiskey warehouse loss at Midway, Ky., revealed the fact that much of that business had been written in the excepted cities at higher commissions than can be paid at the points where the property is located. Assurances were given that this would be corrected.

The managers having jurisdiction in Kentucky met and decided to establish an advisory rating bureau in November covering the entire State with the exception of Louisville. There the existing status is to continue for the present, with the understanding that the same schedules shall be used in Louisville as outside.

The safeguarding of the commission rule was indorsed in the reports. A trend of sentiment against any further in-

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crease in expenses was shown by the defeat of the single proposition submitted for a 5 per cent. increase in commissions on a certain class.

The election of officers resulted as follows: President, Joseph H. Lenehan, of Chicago, Western manager of the Phenix of Brooklyn; vice president, J. A. Kelsey, of New York, United States manager of the Aachen and Munich; secretary (re-elected), John Marshall, of Chicago, manager of the Fireman's Fund.

British Fire Insurance Business 1907-8—A Favorable Year After a Disastrous One.

(The Finance Chronicle, London.)

In any contrast with the previous year the task of putting on record the results of the fire underwriting for the past year, as set forth in our table on another page, is a very pleasant one. The net result, as shown below, is a trading surplus of £3,922,000, or 15.54 per cent. of the premium revenue, £25,250,000, as compared with a deficit of 23.41 per cent. of the premiums in the previous year. That loss, we need not say, arose from the San Francisco catastrophe, and it is confidently anticipated may not occur again. The amount of the surplus has only been equaled in the year 1905, but the ratio was also equally great in the year 1903. The grand fact is that the year has been very favorable, the profits going far to rehabilitate the position of the companies which lost so heavily in the previous year.

Coming to details, the premium income of thirty tariff offices amount to £24,727,448, as against £23,407,846 in the previous year, and the aggregate premium revenue of fifty-five offices, tariff and non-tariff, was £25,250,612, being an increase of £1,410,200, compared with an increase of £675,000 in the previous year. The losses amount to £12,259,799, or 48.55 per cent., a very favorable experience, only equaled during the past ten years on two occasions, viz., in 1903 and 1905, when the ratios were 49.31 and 46.69, respectively. The expenses and commission show an increase at 35.91 per cent., being the highest during the past ten years, and only approached in the year 1905 at 35.01. The following table enables us to compare the results during the past ten years.

Year.	Net Premiums.	Losses.		Commission and Expenses		Surplus (—) Deficit.	
	Pounds.	Pounds.	Per Cent.	Pounds.	Per Cent.	Pounds	Per Cent.
1897-8	19,107,000	10,780,000	56.41	6,580,000	34.44	1,747,000	9.15
1898-9	19,318,000	11,536,000	59.72	6,737,000	34.87	1,045,000	5.41
1899-0	20,220,073	12,579,991	62.21	6,983,168	34.09	656,914	3.70
1900-1	20,590,495	12,366,894	60.06	7,043,150	34.20	1,180,448	5.74
1901-2	20,269,975	12,862,097	63.45	6,933,166	34.21	474,712	2.34
1902-3	21,751,354	11,404,900	52.43	7,528,464	34.61	2,817,990	12.96
1903-4	22,015,784	10,857,022	49.31	7,667,493	34.82	3,490,269	15 87
1904-5	23,049,409	13,657,438	59.32	7,879,572	34.21	1,512,399	6.47
1905-6	23,165,397	10,815,935	46.69	8,111,767	35.01	4,020,695	18 30
1906-7	23,840,339	21,195,256	88.91	8,226,071	34.50	5,580,988	—23.41
1907-8	25,250,612	12,259,799	48.55	9,068,656	35.91	3,922,157	15.54

Looking at the net result of the underwriting it is of course not a suitable comparison, that of the present with the previous year's figures in the table; a fair comparison would be with the year 1905. The amount of the surplus on the trading in that year was £4,020,690, while in the past year it was £3,922,157, amounts closely approaching each other, and both being the largest in the history of the business. Owing to the depletion of the funds by American losses in 1906 the interest earnings do not contribute so largely, though the falling off in many cases is not so great as might be expected; while considerable sums were transferred to profit and loss account serving as sources for dividends or other appropriations. The total amount of the interest earnings and other items, less income tax, etc., last year was £1,444,293, of which £287,000 were transfers from other accounts and premiums on shares, which compares with a total of £2,260,426 interest earnings, etc., in the previous year, of which about £229,000 were transfers from other accounts. There were other important sums transferred to or written off, but not directly charged to, the fire accounts of some companies.

The total amount distributed in dividends and other appropriations was £3,847,119, of which about £560,000 was in sums written off investments, £658,000 for purchase of businesses acquired, £41,500 as bonuses and allowances to policyholders, the amount remaining admitting of a more liberal distribution to shareholders than even in the year 1905. There is, however, but small fluctuation in the dividends of insurance companies, which fact no doubt accounts for the steadiness of their shares as investments during the past four years, when general depreciation in many of the popular investments has been experienced. The numerous sums written off the investments of the offices above referred to is quite an unusual feature in our fire insurance accounts, although on the whole they form but a small percentage of the aggregate funds now exceeding £38,000,000.

The total amount of the fire reserve amounts to £30,278,800, being an increase of nearly £2,000,000 for the year, a very satisfactory result after making good the loss of £5,500,000 in the previous year. Including the paid capital, the total funds, £38,116,000, considerably exceed a year and a half's premiums. On a 50 per cent. basis of liability for unearned premiums—admittedly a fair and moderate estimate for companies transacting foreign as well as home business—the statement shows a surplus fire reserve of £17,655,000, or, including capital, a surplus of about £25,500,000. The deficiency of reserves in the case of a few companies amounts to £28,437, of which £5,663 pertains to the non-tariff section. These are but fractional proportions to the total resources of the companies; and we may conclude that the condition of the business as a whole is highly satisfactory, and shows a degree of executive ability and a position of financial strength unequaled by any group of fire offices throughout the world.

Forty-two State and Territorial Legislatures Will Meet in 1909—A Busy Outlook for the Insurance Companies.

The following tabular statement, specially prepared for The Weekly Underwriter, shows the meetings of legislatures in 1909 and the legal limit of their duration. How many will keep their hands off insurance or, on the other hand, how many will be open to reform in their insurance laws, particularly those imposing heavy taxation on thrift and providence?

States and Territories.	Session Begins.	Limit of Session.
Arizona	January 18, 1909	60 days.
Arkansas	January 11, 1909	60 days.
California	January 4, 1909	60 days.
Colorado	January 12, 1909	90 days.
Connecticut	January 6, 1909	No limit.
Delaware	January 5, 1909	60 days.
Florida	April 2, 1909	60 days.
Georgia	June 24, 1909	50 days.
Hawaii	February 15, 1909	60 days.
Idaho	January 4, 1909	60 days.
Illinois	January 6, 1909	No limit.
Indiana	January 7, 1909	60 days.
Iowa	January 11, 1909	No limit.
Kansas	January 12, 1909	50 days.
Maine	January 6, 1909	No limit.
Massachusetts	January 1, 1909	No limit.
Michigan	January 6, 1909	No limit.
Minnesota	January 1, 1909	90 days.
Missouri	January 6, 1909	70 days.
Montana	January 4, 1909	60 days.
Nebraska	January 5, 1909	60 days.
Nevada	January 16, 1909	50 days.
New Hampshire	January 6, 1909	No limit.
New Jersey	January 7, 1909	No limit.
New Mexico	January 18, 1909	60 days.
New York	January 1, 1909	No limit.
North Carolina	January 6, 1909	60 days.
North Dakota	January 5, 1909	60 days.
Oregon	January 11, 1909	40 days.
Pennsylvania	January 5, 1909	No limit.
Porto Rico	January 8, 1909	60 days.
Rhode Island	January 7, 1909	No limit.
South Carolina	January 14, 1909	40 days.
South Dakota	January 7, 1909	60 days.
Tennessee	January 4, 1909	75 days.
Texas	January 12, 1909	60 days.
Utah	January 11, 1909	60 days.
Vermont	October 3, 1908	No limit.
Washington	January 12, 1909	60 days.
West Virginia	January 13, 1909	45 days.
Wisconsin	January 13, 1909	No limit.
Wyoming	January 12, 1909	40 days.

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Life and Disability Insurance Policies Must Be Separate Contracts in Massachusetts—Opinion of the Attorney General.

The Massachusetts Insurance Department has made public the following opinion rendered by Attorney General Malone:

Hon. Frank H. Hardison, Insurance Commissioner:

DEAR SIR—My opinion is orally asked by you as to certain questions affecting the Ætna Life insurance company, the Travelers insurance company and the Columbian National Life insurance company.

Each of the above named companies desires to issue in connection with its life policies certain contracts of disability insurance substantially similar to those which the Supreme Court has recently decided should not form a part of a life insurance policy. They propose either to print these disability contracts upon the same piece of paper with the life policies, or to attach them thereto. Two questions have arisen:

1. Whether such action on the part of the insurance companies would be in violation of the provisions of St. 1907, c. 576, Sec. 34, to the effect that contracts of insurance for each of the classes specified in Sec. 32 shall be in separate and distinct policies.

2. Whether such action would violate the provisions of Sec. 69 of the same act providing, "Nor shall any such company or agent pay or allow, or offer to pay or allow as inducement to insurance, any rebate of premium payable on the policy, or any special favor or advantage in the dividends or other benefit to accrue thereon, or any valuable consideration or inducement not specified in the policy contract of insurance."

The Travelers insurance company proposes to insert in its original life policy a statement substantially as follows: "This contract is issued concurrently with another of the same date, under which the company insures the payment of the premiums upon this contract in the event of the total and permanent disability of the insured, as provided therein."

The Columbian National Life insurance company proposes to insert substantially the following: "The holder of this policy is entitled to obtain the benefits of the policy printed on the third page hereof, in case of total or permanent disability."

The Ætna Life insurance company apparently does not propose to mention the disability contract at all in the original life contract.

Counsel for the Travelers and the Columbian companies contend, among other things, that so long as the disability contract is specifically referred to in the original life policy, it does not fall within the prohibition of Sec. 69. I think that this point, however, becomes immaterial upon consideration of the effect of Sec. 34 above quoted.

That section provides that the contracts of insurance of each of the classes specified shall be in separate and distinct policies. To my mind this does not mean simply that the policies must be physically distinct from each other, but that they must have no legal connection with each other, and must be entirely independent. None of the disability clauses suggested by the companies is independent of the life policy, in connection with which it is to be issued.

The Ætna disability policy provides that "in consideration of the surrender of policy No. —, issued by the Ætna Life insurance company of Hartford, Conn., upon the life of ——— ———, said company will then, as an additional option of surrender value of said policy, in lieu of all values and privileges granted therein, issue its contract to pay the life beneficiary of said policy" certain sums, etc.

The Travelers provides that "after one full annual payment shall have been made, and before a default in the payment of any subsequent premium on life contract No. —, issued by the Travelers insurance company * * the company * * will agree to pay for the insured the premiums, if any, which shall thereafter become payable upon this, and on the contract aforesaid during the continuance of such disability."

The Columbian's provides in part for the payment of premiums due upon the life policy in a manner substantially similar to that of the Travelers, above set forth.

In my opinion the proposed disability contracts are clearly dependent upon the original life policies. This being so it follows that they are not "separate and distinct" policies because their enforceability, as a practical matter, depends wholly upon the vitality and existence of the life policies in connection with which they are to be issued. Consequently none of the companies is entitled to issue such disability contracts in the form and manner proposed.

This opinion seems to be sustained by that of the Hon. H. M. Knowlton, Attorney General, given to the Insurance Commissioner May 15, 1901, in which he was determining the question raised by the provisions of St. 1896, c. 140, to the effect that sprinkler insurance should be contained in separate and distinct policies from fire insurance. In this opinion it was said:

"Provided, however, the contract against damage by water be an independent contract, complete in its terms, upon a separate policy, there is no objection to its being attached to the ordinary fire policy. It must be, however, not a mere rider, but a contract complete in itself and capable of being enforced, whether there be a contract of insurance against fire or not."

In my opinion the language of this last sentence is equally applicable here. The disability contract is not a separate and distinct contract unless "it is complete in itself and capable of being enforced, whether there be a contract of life insurance or not." This proposition alone disposes of the question under discussion.

It may not be improper to add, however, that any other decision would be wholly at variance with the spirit of the opinion of the Supreme Court in the recent cases of the Ætna Life insurance company and the Travelers insurance company v. Hardison.

Very truly yours,

DANA MALONE, Attorney General.

FIRE INSURANCE AGENTS
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LIBERAL COMMISSIONS
ON CASUALTY LINES
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The Employers' Liability Assurance Corporation
(LIMITED),
OF LONDON, ENGLAND.
Total Available Resources, over $8,000,000
$3,449,550.58 deposited in the United States for the benefit of United States Policyholders.
SAMUEL APPLETON, United States Manager,
Employers' Liability Building, 33 Broad Street, Boston, Mass.
EDMUND DWIGHT,
Resident Manager for New York State,
76 William Street, New York

CHARTERED 1866.
HARTFORD LIFE
Insurance Company of Connecticut
GEO. E. KEENEY, President.
ALL THAT IS BEST IN LIFE CONTRACTS
EITHER TO BUY OR SELL
$30,000,000 Paid Policyholders and their Beneficiaries.

The Agricultural Insurance Company of Watertown, N. Y.
ESTABLISHED 1853.

Assets, January 1, 1908	$2,717,477.10
Total Liabilities, except Capital	1,705,859.80
Joint Stock Capital	500,000.00

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The Bankers Reserve Life Company

Bascom H. Robison, President

OMAHA, NEBRASKA

FINANCIAL STATEMENT, JUNE 30, 1908.

RESOURCES.

Registered County, Municipal and School Bonds	$645,945.58
Real Estate First Mortgages	315,700.00
Loans to Policyholders	152,167.92
Renewal Premium Notes	63,263.23
Cash in Office	345.02
Cash in Banks	59,106.69
Certificates of Deposit	102,395.73
Agents' Net Ledger Balances	2,071.11
Accrued Interest on Securities	13,204.84
Premiums in Process of Collection	19,502.03
Total	$1,373,702.15

LIABILITIES.

Net Mean Reserve on all Policies in force, computed on the Actuaries' Table of Mortality with Four per cent. Interest.	$1,011,175.00
Premiums paid in advance	4,061.11
Policies Surrendered for Cash Value	1,325.24
Death Claims in Process of Adjustment	12,000.00
Excess Security to Policyholders	345,140.80
Total	$1,373,702.15

Insurance in Force June 30, 1908	**$20,011,658.50**
Death Losses Paid January 1, 1908, to June 30, 1908	**44,000.00**
Dividends Paid January 1, 1908, to June 30, 1908	**30,775.65**

Managers and General Agents Wanted on Liberal Terms

SAMUEL GANS, President — LEOPOLD GANS, Vice-Pres. & Gen'l Mgr.

SAMUEL GANS CO.

186-188 WOOSTER ST., N. Y.

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Renovators of Fire and Marine Salvages

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Stocks handled at lowest percentage consistent with proper results, accompanied always with Cash Guarantee. Our methods fortify adjusters in advance of closing loss.

Always telegraph or telephone at our expense.

Expert advice cheerfully given.

EDWIN W. WILE, Resident Manager
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COMMON SENSE PROTECTION

includes insurance against

1. DISEASE 2. ACCIDENT 3. DEATH

THE COLUMBIAN NATIONAL LIFE INSURANCE CO.

OF BOSTON, MASSACHUSETTS,

provides all three, as no other company does incorporated under the stringent laws of Massachusetts. **Attractive, Non-participating Life Policies. Liberal and Definite Accident and Health Policies. Surplus to Policyholders, over $1,500,000**

Men with clear records wanted as District Managers. Save time by sending record and references with first letter to

Home Office: 176-180 Federal St., Boston, Mass.

GERMANIA

FIRE INSURANCE COMPANY

NEW YORK.

ORGANIZED 1859.

Cash Capital	$1,000,000.00
Assets	5,185,649.51
Net Surplus	949,260.99

HEAD OFFICE

Cor. William and Cedar Streets.

NATIONAL LIFE INSURANCE CO.

of the United States of America

CHICAGO

ESTABLISHED 1868

ALBERT M. JOHNSON, President
ROBERT E. SACKETT, Vice-President
CHARLES B. SHEDD, Treasurer
ROBERT D. LAY, Secretary

RECORD OF 1907

Insurance in Force December 31st.	$50,066,932.77
Gain in Apportioned Surplus in 1907,	105,734.09
Gain in Assets.	1,037,668.19
Excess of Income over Disbursements,	1,093,023.43

CHICAGO'S OLDEST AND STRONGEST COMPANY

PHENIX INSURANCE COMPANY

OF BROOKLYN, N. Y.

NEW YORK OFFICE:

68 WILLIAM STREET.

The Preferred

ACCIDENT INSURANCE COMPANY

of New York

SUPERIOR POLICIES

KIMBALL C. ATWOOD, President,
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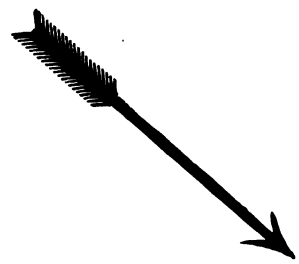
ATTRACTIVE CONTRACTS



SECURITY MUTUAL LIFE
Binghamton, N. Y.

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Equitable death claims are almost invariably the first to be paid, enabling the Equitable agent to secure what local business may result therefrom.

Equitable agents are furnished with better canvassing material than is supplied by any other company.

Equitable agents receive advantages and aid from their General Agents not usually accorded by other companies.

Equitable liberality and fair dealing toward policyholders and agents alike, make it the best Company to insure in and the best Company to represent.

Agents of character and ability desired.

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120 Broadway, New York

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LONDON & LANCASHIRE FIRE INSURANCE COMPANY

A. G. McIlwaine, Jr., Manager.

INCORPORATED 1851.

Berkshire Life Insurance Company

OF PITTSFIELD, MASS.

All Policies issued by the Company are subject to the Massachusetts Non-Forfeiture Law.

JAMES W. HULL, Pres. J. M. LEE, Actuary
THEO. L. ALLEN, Sec. ROBT. H. DAVENPORT, Asst. Sec

Agencies in all the principal cities of the United States

Northern Assurance Company,

OF LONDON, ENGLAND.

EASTERN AND SOUTHERN DEPARTMENTS,

38 PINE STREET, NEW YORK.

GEORGE W. BABB, Jr., Manager. T. A. RALSTON, Sub-Manager.

Insurance Co. of North America,

232 WALNUT STREET, PHILADELPHIA.
FOUNDED 1792.

Assets, January 1, 1907		$10,748,864
LIABILITIES—Reserved for Reinsurance and all other claims	$6,705,870	
Capital Stock	3,000,000	
Surplus over all Liabilities	1,042,994	$10,748,864

Agents in all the principal towns and cities.

CHARLES PLATT, President.
EUGENE L. ELLISON, Vice-President. BENJAMIN RUSH, Second Vice-President.
GREVILLE E. FRYER, Secretary and Treasurer. T. HOUARD WRIGHT, Assistant Secretary.
HENRY W. FARNUM, Marine Secretary. JOHN O. PLATT, Assistant Secretary.

Offices in New York: Fire, 51 William St.; Marine, 63 Wall St.

National Life Insurance Co.

MONTPELIER, VERMONT.

Established in 1850. Operating in 36 States.

JOSEPH A. DE BOER, President. H. M. CUTLER, Treasurer.
JAMES T. PHELPS, Vice-President. A. B. BISBEE, Medical Director.
JAMES B. ESTEE, 2d Vice-President. C. E. MOULTON, Actuary.
OSMAN D. CLARK, Secretary. F. A. HOWLAND, Counsel.

This Company held January 1, 1908, and gained during the past decade:

ASSETS	$40,354,241.29	Gain, 172 per cent
SURPLUS	4,539,688.47	Gain, 149 per cent.
INSURANCE	153,467,472.00	Gain, 100 per cent.

Its life, term and endowment contracts are liberal and attractive.

J. F. MAKLEY, Gen. Mgr., 149 Broadway, New York, N. Y.
J. V. ALEXANDER, Gen. Mgr., 1134-36 Granite Bldg., Rochester, N. Y.
M. H. MULLENNEAUX, Manager, 119 State St., Albany, N. Y.
A. H. GSELLER, Manager, 9 Clinton St., Newark, N. J.

1860 48TH YEAR 1908

HOME LIFE INSURANCE COMPANY

OF NEW YORK.

GEORGE E. IDE, President

ASSETS, $20,004,853.63. LIABILITIES, $19,235,418.20.
(Including Dividend-Endowment Fund)

Dividend-Endowment Fund (Deferred Dividends)	$1,795,020.00
Net Surplus	769,435.43
Insurance in Force	86,193,296.87

The forty-eighth annual report shows a gain in the amount of insurance in force; that assets were increased nearly $1,000,000, and that over $300,000 was paid to policyholders in dividends.

Established 1782.

Phoenix Assurance Company, Ltd.,

OF LONDON.

FIRE INSURANCE ONLY. LOSSES PAID, OVER $135,000,000.
Head Office for the United States, 47 Cedar St., N. Y.
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A. D. IRVING, Jr., Sec.

COMMERCIAL UNION ASSURANCE CO.

LIMITED,

OF LONDON.

OFFICE:

Cor. Pine & William Sts., New York.

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1825. THE 1908.

Pennsylvania Fire Insurance Co.

OF PHILADELPHIA.

Cash Capital	$750,000.00
Reinsurance and all Liabilities	4,096,833.14
Surplus	1,615,283.97
Total January 1, 1908	$6,462,117.11

R. DALE BENSON, Pres. CHARLES W. MERRILL, Asst. Sec.
JOHN L. THOMSON, Vice-Pres. HAMPTON L. WARNER, Asst. Sec.
W. GARDNER CROWELL, Sec. WM. J. DAWSON, Sec. Agency Dtep.

NOTICE

Insurance Losses and Claims for Damages amicably and satisfactorily Adjusted. Otherwise resisted, defended at Law or in Equity for Companies by

T. F. HANLON

ADJUSTER AND ATTORNEY

BALTIMORE, MD. Calvert Bldg. WASHINGTON, D. C. Colorado Bldg.
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Twenty-five years' experience Member Bar U. S. Supreme Court.
GO ANYWHERE. OPERATE ANYWHERE.

The Connecticut Mutual Life Insurance Company

Stands alone among the American companies of any note, in having repaid to its members, their beneficiaries and estates, in annuities, endowments, death claims, surrender values and dividends, more than it has received from them in premiums. These are the totals:

Received since organization—1846	$249,356,745.45
Repaid as above noted	253,641,382.54
Excess over amount received	4,284,637.09
Assets December 31, 1907	65,003,271.10
Surplus December 31, 1907	2,326,657.25
Insurance in force December 31, 1907	174,716,005.00

President, JOHN M. TAYLOR.

Mutual Life Policies

ARE EASIEST TO SELL

BECAUSE

Yearly dividends have been increased for the last three years, 1906-7-8, at a rate equaled by no other company.
Cash values guaranteed in the new life and endowment policies are equaled by few companies.
Attractive features have been added to standard policy forms.
Liberal terms offered producing agents under the 1908 contracts.

For information, address

GEORGE T. DEXTER
Second Vice-President
The Mutual Life Ins. Co. of New York
34 Nassau Street, New York, N. Y.

FIREMEN'S

Insurance Company of Newark, N. J.

ORGANIZED 1855

CAPITAL,	$1,000,000.00
ASSETS,	4,701,068.80
SURPLUS TO POLICYHOLDERS,	3,148,371.45

DANIEL H. DUNHAM, President CHARLES COLYER, Vice-President
A. H. HASSINGER, Secretary

WHITON & MERGES, Agents, . . 73 William Street, New York
LEWIS & FREAR, Agents, . . . 145 Montague Street, Brooklyn
H. W. BEALS, Suburban Agent, . 70 William Street, New York

WANTED

BY

The Manhattan Life

Insurance Co.

Live, energetic men for some excellent territory. Exclusive and liberal contracts will be made with the proper parties.

The Armstrong Committee found no questionable methods in The Manhattan Life Insurance Company.

Address

W. B. LANE, Vice-Pres.
66 BROADWAY, NEW YORK

[FIRE]

German American Insurance Company New York

STATEMENT JANUARY 1, 1908

CAPITAL
$1,500,000
RESERVED FOR ALL OTHER LIABILITIES
7,592,685
NET SURPLUS
4,415,353
ASSETS
13,508,038

HANOVER

Agencies in all the Principal Places in the United States.

Fire Insurance Company OF NEW YORK.

THE

Empire State Surety Co.

Executive Office: 84 William St., New York.
192 Montague St., Brooklyn.

General Surety Bonds Plate Glass
Liability Burglary
Boiler
Personal Accident and Health Insurance

OFFICERS:

WILLIAM M. TOMLINS, JR., . . . President
Moses May, . . } Vice-Presidents
Willard P. Reid, }
Walter J. Moore, }
R. SKeelor, M.D. }
Daniel Stewart, . . Secretary
Alfred J. Hodson, . Ass't Sec'y
Warrel S. Pangborn, . Treasurer
Hugo Hirsh, . General Counsel

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HOME OFFICE OF THE

Metropolitan Life Insurance Co.

INCORPORATED BY THE STATE OF NEW YORK

The Company OF the People, BY the People, FOR the People.

PROOF OF PUBLIC CONFIDENCE

This company has more premium paying business in force in the United States than any other Company, and for each of the last 14 years has had more New Insurances accepted and issued in America than any other Company.

The number of Policies in force is greater than that of any other Company in America, greater than all the Regular Life Insurance Companies put together (less one), and can only be appreciated by comparison. It is a greater number than the Combined Population of Greater York, Chicago, Philadelphia, Boston, St. Louis, Cleveland, Cincinnati and Milwaukee.

ASSETS.

United States, City and R. R. Bonds and Stocks	$81,500,727.38
Bonds and Mortgages	74,620,197.45
Real Estate	19,905,683.42
Cash	5,258,969.45
Demand Loans on Collateral	3,476,500.00
Loans to Policyholders	6,552,375.12
Prem. deferred and in course of collection (net)	4,772,106.25
Accrued Int., Rents, etc	2,233,904.15
Total	$198,320,463.23

LIABILITIES.

Reinsurance Fund and Special Reserves	$181,775,579.00
All other Liabilities	1,542,871.65
Capital and Surplus	13,951,899.14
Total	$198,320,463.23

Largest Office Building in the World—Madison Avenue, Fourth Avenue, 23d Street and 24th Street, New York City.

SIGNIFICANT FACTS

This Company's Policy-claims paid in 1907 averaged in number one for every 64 seconds of each business day of 8 hours each and in amount $124.95 a minute the year through.

THE DAILY AVERAGE OF THE COMPANY'S BUSINESS DURING 1907:

452 per day in number of Claims Paid.
6,891 per day in number of Policies placed and paid for.
$1,239,893.45 per day in New Insurance placed and paid for.
$162,489.27 per day in Payments to Policyholders and addition to Reserve.
$72,011.34 per day in Increase of Assets.

OFFICERS

JOHN R. HEGEMAN.....President
HALEY FISKE.....Vice President
GEORGE H. GASTON.....2d Vice President
GEORGE B. WOODWARD..3d Vice President
FRANK O. AYRES.....4th Vice President
JAMES M. CRAIG.....Actuary
FREDERICK H. ECKER.....Treasurer
WALTER STABLER.....Comptroller
JAMES S. ROBERTS.....Secretary
JOHN R. HEGEMAN, Jr.....Asst. Secretary
J. J. THOMPSON.....Assistant Secretary
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F. F. TAYLOR.....Assistant Secretary
FREDERICK A. BETTS..Assistant Secretary
STEWART L. WOODFORD.....Counsel
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AUGUSTUS S. KNIGHT, M. D..Med. Direct.
W. S. MANNERS, M. D., Asst. Med. Director
E. M. HOLDEN, M. D...Asst. Med. Director
I. J. CAHEN.....Manager Ordinary Dept.

Paid to Policyholders since Organization, plus the Amount now invested for their Security, $407,462,482.06.
Number of Policies in Force, 9,620,009. Amount of Outstanding Insurance, $1,804,946,581.00.

In its Ordinary Department policies are issued for from $1,000 to $1,000,000 on individual lives, premiums payable annually, semi-annually and quarterly. In its Industrial Department policies are issued on all the insurable members of the family for weekly premiums.

Full particulars regarding the plans of the Metropolitan may be obtained at its Home Office, 1 Madison Ave., New York City, or of its Agents in all the principal cities of the United States and Canada.

Provident Life and Trust Co.

OF PHILADELPHIA.

The **new policies** of the Provident are unsurpassed for conciseness and simplicity of form and for adaptability and liberality in all essentials.

The premium rates of the Provident are exceedingly low and are still further reduced by large annual dividends.

Southern Ins. Co.

of New Orleans

Guardian Fire Ins. Co.

of Pennsylvania

Robert Dickson - - - President
R. D. Tweeddale - - - Ass't Sec'y

80-82 William St., New York City

North British & Mercantile

INSURANCE COMPANY,

OF LONDON AND EDINBURGH.

Established 1809.

OFFICE:

76 WILLIAM STREET,

New York City.

Organized 1871

Life Insurance Company of Virginia

HOME OFFICE, RICHMOND, VIRGINIA

J. G. WALKER, President.
T. WM. PEMBERTON, 1st Vice-Pres. W. L. T. ROGERSON, Secretary.

The PIONEER Southern Industrial Life Insurance Company.
The OLDEST Southern Life Insurance Company.
The LARGEST Southern Life Insurance Company.
The most approved forms of Life, Endowment and Industrial Policies issued on favorable terms.

Assets .....OVER $4,000,000 00
Insurance in force .....OVER $61,000,000.00
Total payments to policyholders since organization .....OVER $8,500,000.00

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The Weekly Underwriter:

AN INSURANCE NEWSPAPER.

VOL. LXXIX. NEW YORK, SATURDAY, SEPTEMBER 19, 1908. No. 12.

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CHARLES A. JENNEY, President and Treasurer. L. ALEXANDER MACK, Secretary.

THE news item recently printed about an application made at Scranton, Pa., for a charter for the National Association of Life Insurance Agents naturally provoked some surprise, because there is a national organization of agents with nearly the same title, and there does not seem to be need of a rival. And why Scranton, Pa., as the headquarters? The cloud has been dispersed by a supplemental announcement that the proposed association is a trades-union affair for industrial agents. From time to time there have been attempts with scant success in various places to get up local unions of industrial men, but this is the first effort to gather in the entire fifty thousand of them covering the broad Union of which we have heard. It is stated that the basic purpose of the organization is to put the superintendents under discipline. That there should be inharmony between superintendents and agents is to be regretted, but it would seem a reasonable proposition that the shortest way to settle the differences would be to appeal to the companies, to which both superintendents and agents must bow or lose their jobs. Trades-unionism in the insurance business, life, fire or casualty, is foolishness. There are too many agents.

IT does not appear that any phase either of fire or life insurance has been made a "plank" in political party platforms, nor have we seen deliverances on insurance in the reports of speeches of presidential candidates in the present compaign. At one time one of the "policies" of Mr. Roosevelt was Federal supervision of insurance, but he abandoned that after the judiciary committees of Congress sat on it, and neither of his political heirs—according to the daily papers there are two of them—now has it in stock. For any expression of opinion on insurance by Mr. Bryan one must hark back probably three years; we have seen nothing later. In April, 1905, he contributed an article to *Northwest Insurance*, published at Minneapolis, in which he said:

> There is more money today in the hands of the insurance companies of the United States than is good for the country. I believe in State insurance; in the State Government conducting an insurance business on the basis where the premiums would cover all expenses, and at the same time give insurance to the masses at absolute cost. If any State established an insurance department of the kind I speak of I would take out a policy in it right away. And if such State insurance were a success for life insurance, why should it not be for fire insurance as well? I advocate insurance by the State of both life and fire policies.

This fixes the position of Mr. Bryan. It is hardly necessary to inquire where stand Mr. Debs, Mr. Hisgen and Mr. Patterson (the candidate in jail). They are presumably against corporations first, last and all the time. If there is any curiosity about the views of the other candidates now is the time to draw them out.

AN appeal comes up to us from the executive department of the city of Charleston asking our influence with the fire insurance companies for a reduction of rates on all its properties. For special reasons we think a good deal of the fine old Southern metropolis, and are well disposed to the standing editorial formula of our esteemed contemporary, the *News and Courier*, that "there is no place like Charleston"—in many respects. The special committee on insurance of the city council, whose letter to the companies and report to the council we print in another column, makes out a very attractive case in favor of reduction, showing that the better building laws devised by the National Board of Fire Underwriters have been adopted and are enforced, that the extra water mains and hydrants recommended by the inspectors of the National Board have been put in, and that even the historically excellent fire department has been improved. Charleston has a large negro population, living mainly in shanties, but on the other hand it is well policed and conservative business habits prevail. Above all, its loss ratio has been below the average of American cities of its size for a number of years. The conflagration hazard is remote. In view of these facts we feel quite safe in asking the fire insurance companies within the pale of our influence to consider the plea of the Charleston people made through their city council committee for a reduction of one-third off present rates. This may affect the commissions of the agents, but the agents, we learn, are all enthusiastically in favor of the reduction of rates, as a measure of justice and as becomes patriotic and self denying citizens. The executive committee of the South Eastern Underwriters' Association has appointed a special committee to confer with the city authorities, and we have no doubt what the recommendation of the committee will be.

IMPELLED by a mandate from Oyster Bay and against the judgment of the responsible local party managers, who had only the success of its candidates in view, the New York Republican State Convention this week nominated Charles E. Hughes for Governor. The life insurance business has, therefore, to face the proposition of the election of a man who has officially notified it that, as Governor, he will prevent, so far as he has power and influence, the enactment of legislation to relieve the business from the obstructive and oppressive insurance laws, and who will, when the term of Insurance Superintendent Kelsey expires in February next, appoint as his successor a person in sympathy with the attitude of the Executive toward the insurance business. As to the opposition candidate, Mr. Chandler, although he has been holding public office the past two years, it cannot be said that much is known of his opinions upon State policies, but as yet he has not expressed himself as inimical to the needs of

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life insurance men. Our impression is that voters whose purpose is to aid the life insurance business in New York, while keeping their eyes on the gubernatorial issue, had better look after the candidates for the next Legislature in their respective localities. In this connection a Hughes organ, the *New York Times*, commenting upon the nomination of Mr. White for Lieutenant Governor on the Republican ticket, gives an instructive pointer to the life underwriters. It says:

Senator Horace White has been a candidate for the second place on the ticket before. He is wealthy, which means a great deal in campaign times, and his Senatorial career is said to have met with the approval of his constituency, although to be sure he was a prime mover against Governor Hughes' insurance reform bills. Should he be elected with the Governor an interesting situation may develop in the next two sessions of the Legislature. The insurance companies are said to be contemplating the introduction of legislation the effect of which will be to nullify some of the insurance reforms. White, presiding over the Senate, would be able to aid such legislation. The Governor, of course, would oppose it.

This would indicate the belief in the minds of the Governor's friends that the struggle of the insurance interests for remedial legislation will be resumed at Albany next winter. It should also serve to awaken that interest to the need of active efforts to re-elect the same kind of Legislature as the last, so far as insurance is concerned. The vote on the amendment to Section 97 of the insurance law in both Senate and Assembly this year should be a campaign object lesson. The amendment was carried in the Senate with only one opposing vote, and in the other house unanimously. A Governor's veto will look pitiful in the presence of a similar vote in the next Legislature for the right.

Facts and Opinions.

Business men on the Pacific Coast are now investigating the meaning of the **"volcanic eruption" clause** contained in some fire insurance policies which are being written there. In speaking of this clause recently, Managers Folger and Speyer, of the New Zealand insurance company, one of the companies whose policies contain this clause, said that the clause would have no effect in case of an earthquake, and that their corporation did not attribute earthquakes to volcanic activity. They said that the clause contemplated destruction caused by matter emitted from apertures in the earth, or what is commonly known as a volcano. In explanation of the presence of the clause in the policies in this vicinity, where there are no volcanoes, Mr. Speyer said: "Many States are enacting legislation fixing a standard policy. New York and Oregon now have such statutes, and I believe a commission is now engaged formulating one to be presented to the next Legislature in this State. These enactments require us to change the form of policy very often, and temporarily we are using our old forms in States where there is no standard policy. Ours is exactly the same as the New York and Oregon standard policies as to matter contained therein, with the exception of the 'volcano' clause. This clause was inserted because of the large amount of business the company does in Honolulu, which is in a volcanic region." The insuring public, however, remembering the litigations which followed the San Francisco fire on policies which contained the earthquake clause, fear that if a company were so disposed the "volcanic eruption" clause might be invoked to avoid payment of losses. After the earthquake and fire much was written concerning the causes of seismic disturbances, and some scientists expressed it as their opinion that earthquakes were the direct result of volcanic activity.

The **fire** in the **cork factory** at 454 to 458 State street, Brooklyn, last week, at which the firemen claimed there was very poor water pressure, has been investigated from several sources. It appears that the firemen coupled up to five of the six new hydrants, but relied upon the individual engines to secure the required pressure. The pumping stations were not called into service at all. The engines took the water from the new mains at normal pressure, which was no higher than that obtained by the engines attached to the old mains. In justification of the fire department for not calling upon the service pumps at this time the following statement was made by an inspector of one of the insurance companies:

The non-use of the high pressure service at this particular fire cannot be criticised, as it would probably have taken half an hour to close the gates connecting with the mains of the old distribution and starting the pumps in the St. Edward street plant. The fire, however, discloses a deplorable ignorance on the part of the fire department as to the proper manner of using the equipment at their disposal. In the first place the orders from fire headquarters are to have the engines connect to the new mains instead of running the hose lines direct from the hydrants, and having the pumping station supply the pressure required. The pressure should be a known one at the first ringing of an alarm in the district covered by the mains and increased by special order by the chief in charge at the fire if an increase be necessary. It is a useless procedure to attach engines to these hydrants when by proper orders and a thorough understanding of the equipment the pumping station would do the required work. As the equipment now stands it is useless for quick action in case of a fire in the district, as it would require in the neighborhood of half an hour to close the necessary gates in the mains, and start the pumps. The chief reason for this state of affairs lies in the fact that the fire department has never taken over the system from the water department and established proper rules for its operation. The records of the water department show that the fire department was informed last May that the equipment was complete and ready for their operation, but no steps have been taken up to the present time to have the service instantly available at its maximum capacity.

The report of the commission appointed a year ago to **investigate** the subject of **high buildings in New York city,** and particularly on the island of Manhattan, has the report ready on its work. It is stated that the report points out the inevitable growth of tall buildings on Manhattan Island, and makes the recommendation that an effort be made toward the concentration of business and amusement on the island and the creation of cheap and comfortable residences outside of the island for residence purposes. The report goes on to remark that owing to custom and law private owners have been accustomed to using almost the entire area of their plots for buildings, and no restrictions have been placed upon their height. That restrictions are necessary owing to the needs of fire and health protection is recognized in the report. It is acknowledged to be impossible to hold the heights of buildings down to the height at which the fire department could best co-operate in case of fire, as that would mean buildings about 100 feet in height. Accordingly the report suggests that low wooden buildings be eliminated, and that they be supplanted by buildings of steel or iron construction. The report further says that it seems reasonable that restrictions be placed so as to procure a certain amount of light and air, and the suggestion is made that provision be made for stepping back buildings above a certain height so that a suitable angle of light be admitted to the street below. The full text of the report will be awaited with interest in underwriting circles.

Speaking of the **competitive feature in life insurance** progress, *Field Notes*, the company paper of the Northwestern Mutual Life, has the following to say:

The theory that competitive activity is a large factor in creating new business has received confirmation in Wisconsin where over twenty prominent companies withdrew their agencies because of objectionable legislation. Although the list of withdrawing companies included some of the best institutions in the country the withdrawal of their competition has

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not unduly increased the Wisconsin business of those which remained. From the standpoint of the wideawake field man fair competition is a good thing for business because it "starts things." For reasons of this kind the well established life insurance companies are not unfriendly to the organization of new companies along proper lines. There is plenty of room for all honestly conducted companies. What the established interests in the life insurance business do object to are the methods adopted by many of the new companies in seeking to establish themselves. The use of "special inducements," stock schemes, and "agency company" attachments which milk the insuranec company of enormous commissions (in one case 90 per cent. first year and continuous renewals of 10 per cent.), are sure to cast discredit on the whole business when the leaves begin to fall. For the reason that the very numerous companies lately organized and operating under these devices are facing certain failure this "organization hysteria" is a serious menace to the great conserving force of the institution of life insurance. Already a number of these concerns are on the rocks. Clearly no class of companies, however well established and efficiently managed, is entitled to a monopoly of the field; nevertheless if new companies cannot be launched without the aid of some deceptive stock scheme supported by impossible estimates, then the fewer the better. Since the withdrawal of the well established companies from Texas after the enactment of the Robertson law that State has been a popular field for the exploitation of such schemes by new companies.

What might easily have developed into a three alarm fire was extinguished in about an hour on Thursday night by the use of the **new high pressure system.** The blaze was on Elizabeth street in a rag and paper warehouse. Owing to the narrow streets some delay was occasioned in getting the new hose truck past a street car in Prince street. The car, which was of the horse power variety, was lifted bodily to one side by the firemen and the truck proceeded. When Chief Croker arrived the fire had gained considerable headway. The big hose wagon was run up in front of the burning building and several lengths of hose were connected with the high pressure hydrants. On the wagon is a standpipe similar to the water tower, but not so high. To this were attached three lines of hose, and the tremendous pressure developed had an immediate effect on the flames. In order to fight the fire from the rear it was necessary to send several lengths of hose around to the Bowery. Under the old methods this would have necessitated sending in another alarm for extra engines. But the hose was at once attached to the high pressure hydrants on the Bowery, and with water pouring in from front and rear from four tremendous 80 pound streams the fire was soon brought under control. A fifth stream was supplied by Engine No. 17, attached to the old mains.

Armour & Co. come to the front with another **heavy loss** in Chicago, this time on their stock yards properties. Their wool warehouse and fertilizer plant were destroyed a few days ago with a loss of $500,000, although the latter plant was of steel frame construction and was supposed to be fireproof. The firm announces that it will rebuild the burned structures and endeavor to make them absolutely fireproof. This half million dollar loss comes only a month after an $800,000 loss on two Armour grain elevators. The firm has been notably unlucky as regards losses, although there has been no suspicion of moral hazard. The firm of late has had several bad fires in its various plants all over the West. In consequence a number of the companies refuse to insure the Armours, regarding them as hoodooed, and this latest loss will tend to increase that number. The firm realizes this fact and makes every effort to propitiate the insurance companies, paying a bonus of $10,000 on the salvage in the recent grain elevator fires, for instance, to enable the insurance companies to make a good showing on salvage.

The Ætna Life of Hartford has just issued a **seven year convertible term policy** on the non-particpating basis which is written between the ages of twenty and sixty inclusive. A larger sum than $10,000 will not be written on any one life. Such policies may be converted upon any anniversary of their dates within the first five years to policies upon the life or endowment plan for the same amount, without re-examination, either by paying the premium on the new policy for the age then attained, or by having the policy rated at the same age as that at which the term policy was issued, and paying the difference in premium with interest at not exceeding 6 per cent. This assumes that the issue of such new policy will not violate any law of the State where it is required to be issued or delivered. Like the other policies of the Ætna, the seven year term policy will be allowed thirty-one days of grace for paying all premiums after the first; will be indisputable after one year, and will provide different modes by which the insurance may be paid, for the convenience and protection of the beneficiaries. The contract furnishes reliable temporary security at low cost. The annual premium is $9.37 at age 20, $12.43 at age 40 and $43.47 at age 60.

The **Southern life insurance companies** have been unusually **active** during the past few years, and have issued statistics showing the growth in the amount of business and premiums received in that section belonging to the companies domiciled there. In 1900 there were only three ordinary life companies located in the fourteen Southern States, with nearly a billion of insurance in force, of which less than $30,000,000 were in the home companies. During 1899 the home companies wrote 3.48 per cent. of the business and received 4.17 per cent. of the premiums. By 1905, one of the leading companies having reinsured in a Northern company, the percentage of business in force was reduced to 1.65 per cent., with 1.41 per cent. of the premiums going to the Southern companies. In 1907 the Southern companies wrote 32 per cent. of the new business and increased their premium collections over $6,000,000. In several of the States over 40 per cent. of the entire business was written in home companies.

Indiana fire insurance premiums during the first half of 1908 amounted to $3,306,847.99. The total collections during the first half of 1907 were $3,085,604.31. Losses, however, were a little heavier during the first half of 1908, so the net gain is not in as great proportion as the increase in premium receipts. Deputy Auditor Neal, who has been in the Indiana Insurance Department for a number of years, and is familiar with the business in Indiana, thinks the companies made a very good showing in the first period of 1908. While all of the companies did a good business in proportion to the size of their capital and investment, the largest premium collections were made by the following large companies: Ætna, $1112,220.84; American of New Jersey, $89,143.28; Continental, $192,262.55; Connecticut Fire, $66,174.80; Hartford, $216,030.95; Home, $260,815.76; Ohio Farmers, $139,049.19; Phenix of New York, $184,443.48; Queen of New York, $60,998.79, and Royal, $66,268.43.

An example of **Lloyds** so called **underwriting** has come to light on a line of $200,000 on the stock of the Greenleaf Crosby Company, of Jacksonville, Fla., which operates jewelry stores in St. Augustine, Palm Beach, Jacksonville, Miami, Nassau and Hot Springs, Va. The aggregate value in all locations is about $1,250,000, with not to exceed one-fifth of that amount in any one building. The stores are mostly located in the frame Flagler hotels. Lloyds has issued at a low rate a policy covering against fire, theft, transit, ocean marine, breakage and other hazards, including theft by their own employees. There is no coinsurance or average clause in the policy. It is learned that Lloyds have considerably more than $1,000,000 at risk in one building in the Maiden lane jewelry

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district of New York city covered by these jewelers' floaters. Experienced brokers estimate the aggregate liability of Lloyds in the wholesale jewelry district adjoining Maiden lane as over $50,000,000.

As a result of the successful work of the **high pressure system in New York city,** as shown by several recent large fires, it is believed that many fire engines will be sent to the outlying districts and their places taken by the new hose tenders especially built for handling the high pressure system. Already four of the largest engines of the city have been ordered from their quarters with this end in view. The new hose tenders will be drawn by three horses. There will be forty lengths of 50 foot hose in the wagons, which are double the size of the old ones. A standpipe with three great hydrant nozzles will be under the driver's seat. These nozzles will be connected with the water mains by lines of 3-inch hose. The resulting streams of water will be thrown with a force much greater than that of the engines. As soon as these tenders have been installed and tried out they will be followed by others built along the same lines.

An inspector from the Sellers Rating Bureau will soon visit **Richmond, Va.,** for the purpose of adjusting where possible the differences arising between companies and agents in the matter of **rates** on certain risks in that city. It is reported that these plants are, as a rule, in very bad condition, and where there has been any attempt to make improvements they have been done in a very shoddy manner. The schedules under former ratings were not applied correctly, charges for serious defects in many cases being overlooked and credits for cut-offs that were not of sufficient account to be recognized were allowed. The opposition to the new rates from the Commercial Club of Richmond is said to be brought about mainly through the influence of the representative of a firm whose line has not been placed with the local agents for the past three years. The recent increase in rates is due wholly to the correct application of schedules.

An order has been promulgated by Charles W. Barnes, Insurance Superintendent of Kansas, that beginning with October 1 life insurance companies doing business in that State will **not** be permitted to **sell notes** taken for their first premium **until** after they **deliver** the **policies** to the insured. In connection with this ruling Superintendent Barnes said as follows:

We have always had an endless amount of trouble over this matter. Unscrupulous agents would make all kinds of misrepresentations as to the terms of their policies, would take the applicant's note when he signed the application, discount the note at a local bank, and later let the company deliver the policy. When it arrived the insured would find that it was not according to representations of the agent and in many instances the policy was rejected. Then the applicant would come to us for relief, and we have been kept busy with this class of complaints against the companies.

Now that a **special session of the Indiana Legislature** has been called by the Governor, the question whether insurance will be taken up in any form is being generally discussed. The Indianapolis *News* says as follows regarding the matter:

Since a call was issued for a special session of the Legislature insurance men have been speculating as to the probability of insurance legislation. It was practically understood from the beginning of the special session talk that there would be no attempt during the special session to change the method of State supervision of the insurance business. Belief has existed, however, that there might be an attempt to get an anti-rebating bill through, inasmuch as there has been much rebating recently, the understanding being that anti-rebating legislation will surely be effected during the regular session of the Legislature, and some of the insurance men concluding therefore that they should make hay while the sun shines. Despite this condition, however, it is not thought probable that there will be any anti-rebating legislation during the special session.

The **new form of binder** designed to cover **cotton** coming to the warehouse, and any increase in values owing to fluctuations of the market, is now in use by the members of the South Eastern Underwriters' Association. The binder goes into effect at 6 o'clock a. m., when its conditions are complied with, and to be effective the warehouseman must report to the agent writing the policy on which the binder covers all additions to the cotton in the warehouse during the day and also any increase in value which he wishes to have protected. This must be done before midnight of the day in question, or else there is no liability under the binder. When such a report is made the agent immediately issues the required certificate to cover the value stated by the warehouseman and the work of the binder for that day is over.

Under a recent ruling of the Minnesota Insurance Department, insurance companies operating in that State will not be able to repudiate or **reduce** the amount of their policies because of failure of the **insured to employ night watchmen** or because residences have been left vacant. Until now companies have claimed a legal right for such action in riders attached to policies, whereby the insured was compelled to have a night watchman at his store or agree that he would not leave his residence unoccupied. The rider provided for forfeiture of a portion of the value of the policy in case of loss when these requirements had been violated. Acting under the advice of the Attorney-General, Insurance Commissioner Hartigan has adopted forms for all riders that may be used by fire companies.

In granting a temporary **restraining order** against **State Auditor Searle, of Nebraska,** on Thursday, in favor of the Pacific Mutual Life of Los Angeles and the Fireman's Fund of San Francisco, Judge Munger, of the Federal District Court at Lincoln, Neb., declared that because the California Insurance Department refused a license to a Nebraska life insurance company is no good reason for the refusal by the Nebraska Insurance Department of a license to California companies which comply with the Nebraska statutes. The refusal of the auditor to grant the certificates was made under the provisions of the reciprocal act in force in Nebraska. The Nebraska company was excluded from California because its capital stock did not amount to $200,000.

In his recent department bulletin Insurance Commissioner Cooper, of **North Dakota,** has the following to say about **right practices of insurance companies** in that State:

Information frequently reaches this department that various companies are violating the laws of this State in their pursuit of business. As a rule these concerns are those that have been refused admission, or those which, having no intention of conducting a legitimate insurance business, have never sought admission. Against these the public has been repeatedly warned. Certain companies, however, authorized to transact fire and tornado business have been adding a hail rider to their tornado policies. This has been a direct violation of the law, as there are only three foreign companies who have been authorized to accept hail risks. The department regrets that the principles of common business integrity have thus been disregarded by companies presumed to be above suspicion, and will see that such practices are stopped.

The recently installed **high pressure water system** in the congested district of **Manhattan** Island is being put to practical service nearly every day, and has thus far held its own in the efficiency which has been expected from it. At the fire in the five story brick building at 503 West Broadway, occupied by paper and box dealers, the high pressure hydrant at West Broadway and Bleecker street was used, three lines of hose being attached thereto. Although the building was in flames to the roof when the firemen arrived, the fire was

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under control in forty-five minutes from the deluge of the tremendous streams of water thrown upon the building.

Acting under the advice of the Attorney General, Insurance Commissioner John A. Hartigan, of Minnesota, has notified the companies doing business in that State that it is **illegal to** repudiate or **reduce** the amount of their **policies** because of the failure of the insured to employ night watchmen or because residences have been left vacant. Up to the present time riders have been attached to policies whereby the insured was compelled to have a night watchman at his store or that he would not leave his residence unoccupied. The rider provided for forfeiture of a portion of the value of the policy in case of loss when these requirements had been violated.

In a circular to members Manager Hess, of the **New York Fire Insurance Exchange,** reminds them of the ruling of the arbitration committee that underwriting agencies are not eligible to membership in the Exchange. He states, therefore, that it is a violation for a member to issue direct policies for any underwriters' combinations with the sole exception of the New York Underwriters' Agency, which was a charter member of the Exchange, and whose existence was provided for in the agreement at the time of the Exchange's organization.

The Western friends of President Langham, of the **Provident Savings Life,** believe that he will be able to carry through the **affairs** of that company to a successful solution. Mr. Langham has assured them that any fear on the part of policyholders or insurance departments that the interests of the former will not be made supreme are groundless. He realizes, he says, that he can make his own investment safe and profitable only by safeguarding the policyholders' interests in every way possible, and that will be made foremost.

The Emporium, **San Francisco's** largest **department store,** now nearly completed and ready for occupancy, will be written through McDonald & Miles, general agents for the Westchester. One million dollars will be written on the building and $800,000 on the contents at the rate of $1.10 and 80 per cent. coinsurance. The Royal has thus far taken the largest line, $40,000 on the building and $35,000 on the contents. The Queen and Hartford have taken $40,000 apiece on the building. The risk is sprinklered.

The **political aspirations** of **Attorney General Hadley,** of Missouri, will be squelched if Insurance Superintendent Vandiver, of that State, has his say. Mr. Hadley is the Republican candidate for Governor, and the Insurance Superintendent is attacking him on his insurance record, claiming that the department has been unable to get any assistance of value from the Attorney General in its campaign against the Great Western Life and some of the local fire mutuals.

The final offer of the **Rhine and Moselle** insurance company to its unpaid policyholders in San Francisco has been made, the proposition being for settlement on a basis of 30 cents on each dollar of liability, of which 25 cents is to go to the policyholder and the remainder is to be divided between the expense account and the attorneys. The company has been settling on a basis of 26 cents on a dollar. The policyholders have deferred final action, being unable to agree.

Resolutions protesting against a movement to **change** the **rating systems** in **Covington** and Newport, Ky., have been passed by the local boards in those cities. The local agents claim that their local board has been making rates for fifteen years and there have been but few complaints from the public. The resolutions state that any effort to place the two cities under an independent rating bureau for the State will be detrimental to the companies and agents.

There is no doubt but that President Beardsley, of the **National Association of Local Fire Insurance Agents,** is positively opposed to the *American Agency Bulletin* soliciting or accepting advertisements from the companies. His idea is that the organization should be self sustaining, and most emphatically should not seek financial assistance from company sources. It cannot afford to jeopardize its independence, which should be one of its chief assets.

Charging that the insurance agencies of **Nashville, Tenn.,** have entered into a compact which eliminates the exchange of business with her agency, **Mrs. Lulu B. Epperson** has induced Insurance Commissioner Reau E. Folk to institute an investigation. The other agencies will be summoned before the commissioner for the purpose of ascertaining whether or not an unlawful combination has been formed in violation of the anti-compact law.

The **Illinois National Fire** of Springfield will **close** its **San Francisco office,** which has been writing surplus lines, and for this purpose Secretary Fairbanks is now on the Coast. Explanation is made that the company is preparing to discontinue writing all surplus lines and will hereafter confine its writings to Illinois. Heavy losses on the Coast are believed to be responsible for this action.

United States Lloyds has been refused a **license** to do business in **Mississippi.** Insurance Commissioner Henry finds that the company has no capital stock, and his reading of the insurance laws of Mississippi satisfies him that the companies must have a minimum capital stock of not less than $100,000, and also that not more than one-tenth of the entire assets shall lie in any one risk.

The quietus of the **Pleasant Prairie Mutual Fire** insurance company of Pleasant Prairie, Wis., after twenty-four years of existence, was due to heavy losses and consequent assessments ranging as high as 100 per cent. During the twenty-three years ending May 15, 1908, the company paid losses amounting to $2,300. During the last three months the losses alone aggregated $4,700.

A movement is on foot among **local agents at Spokane, Wash.,** to form a branch of the National Association of Local Fire Insurance Agents. At an organization meeting just held a committee was appointed to draw up a constitution that will in no way violate the strict anti-compact laws of the State of Washington.

After **paying** the sum of $10,000, the **life insurance** of a Mena, Ark., man named Gus Frye, who was supposedly killed by an accidental discharge of dynamite, the New York Life discovered that the **man** was still **alive.** Suit has accordingly been begun against the estate of the "deceased" to recover the money.

A receiver has been appointed for the **South Carolina Mutual insurance company,** a negro concern, of Greenville, S. C., in the person of R. F. Watson. The company's liabilities amount to $12,000, which will have to be settled for by the policyholders, as the concern is on the mutual basis.

The **inroads of** the **Lloyds** of **London** on the large trust lines are shown by the recent publication of the insurance on

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the Jersey City plant of Swift & Co. Of a total of $898,000, London Lloyds has $532,000, while $255,000 is carried in the Inter-State Insurance Exchange.

While **forest fires** were **raging** about Hibbing and other towns in northern Minnesota, local agents continued to **bind business,** although there was imminent danger of the total destruction of the entire town. All such business reported was promptly cancelled by wire.

General Manager Cooke, of the **Scottish Union and National,** with James H. Brewster, United States manager, is on a tour of the large cities of this country. They went West through Canada, and will go down the Pacific Coast and return through the South.

The local fire insurance agency of **Newburger & McCormack** has been organized at **Cleveland,** starting with the Insurance Company of the State of Illinois. The head of the firm is a brother to James M. Newburger, of Newburger & Co., of Chicago.

Finding that the word association was frequently construed by the public to imply assessmentism, the directors of the **Life Association of America** at a recent meeting changed the name of the company to the Union Life insurance company of New York.

The Federal court at Chicago has authorized Receiver Fetzer, of the **Central Life Securities Company,** to call a meeting of the stockholders of the Republic Life, the company organized by the Rhoduses, to consider reorganization.

The **Des Moines Fire** will probably postpone its application for admission to Illinois until after the first of the year, preferring to complete its organization in Wisconsin and Minnesota before taking up new territory.

Plans looking toward the reorganization of the **fire department** at **New Orleans** are an outgrowth of the recent fire in that city. More men, better apparatus and a much more efficient organization are needed.

At the meeting this week of the **New York Board of Fire Underwriters** Graham Scott, of John M. Talbot & Co., and Henry D. Stephens, secretary of the Pacific Fire insurance company, were elected members.

The **Wisconsin National Life** of Oshkosh celebrated the beginning of business with a banquet September 12. It has already written a million dollars of insurance on the non-participating basis.

The **increase** of the **capital** of the **Northwestern Fire and Marine** of Minneapolis from $200,000 to $500,000 has been authorized by the directors, and the new stock will be disposed of at a premium.

The **Jakor Fire** of Russia, which writes reinsurance business only, has been admitted to Texas, where the law provides that reinsurance is only permissible in authorized companies.

The **capital** of the **Stuyvesant insurance company** of New York will be **increased** from $200,000 to $400,000, and the surplus from $100,000 to $200,000 by the issue of additional stock at 150.

The **Wisconsin fire mutuals** are making a lively campaign for business, and are distributing cards good for one dollar on the first premium on a policy.

On the strength of an examination by Actuary Paul L. Woolston, Montana has refused admission to the **Western Life and Accident** of Denver, Col.

Through Manager Dan B. Harris, at Atlanta, the **Aachen and Munich** and the Security of New Haven will enter Virginia.

The **Shawnee Fire** of Topeka has resigned from the Suburban Fire Insurance Exchange.

The **Commonwealth Life** of Louisville will increase its capital from $200,000 to $500,000.

The **Lumber Mutual Fire** of Massachusetts has been admitted to Connecticut.

Personal.

AGENCY APPOINTMENTS.

Fire Association of Philadelphia: Thomas F. O'Grady, special agent for California and Nevada, with San Francisco headquarters.

Northwestern Mutual Life: H. R. Albee, general agent for northern Oregon, with Portland headquarters; H. N. Cockerline, general agent for southern Oregon, with Albany headquarters; H. J. Roan, general agent for Idaho, with Boise headquarters.

People's National Fire of Philadelphia: Edward E. Hall, general agent for New York State.

Phœnix of London: Dinsmore & Carle, general agents for Westchester, Putnam and Rockland counties, New York.

United American Fire of Milwaukee: A. M. Waldron, Eastern general agent for surplus lines at Philadelphia, Pa.

West Coast Life: John W. Gunter, transferred from Tacoma, Wash., to Los Angeles, Cal.

Mr. C. A. R. Gottsmann, formerly manager of the Central Accident of Pittsburgh in New York city, and more recently with the Fidelity and Casualty and German Commercial in Ohio, with headquarters at Columbus, has been appointed resident secretary for the American Fidelity of Montpelier in central Ohio, with headquarters at Columbus.

Mr. Thomas L. Maitland, formerly superintendent of agents of the Washington Fire of Seattle, and special agent of the Union of Buffalo, has resigned to become special agent of the Sovereign Fire of Toronto for the Western field, beginning October 1.

Mr. David Hinckley, special agent of the Continental, has been transferred to eastern Pennsylvania. Mr. H. A. Miller succeeding him in western Pennsylvania. Mr. J. H. Murphy, former special agent in eastern Pennsylvania, goes to southern New Jersey.

Mr. John Andrews, chief of the Cleveland Fire Department for fifteen years, died September 14. He retired from the head of the Cleveland department on September 1, 1906, after thirty-three years' service. He was sixty-three years of age.

Mr. Charles W. Disbrow, who has been manager for the mountain department of the United States Fidelity and Guaranty at Denver, has been appointed manager at St. Louis, succeeding the H. M. Coudrey Agency.

Mr. Cecil Piatt, of Cincinnati, a well known surety underwriter, has joined the staff of the International Fidelity Company of Jersey City as managing underwriter, and will assume his new duties on October 1.

Mr. F. M. Fargo, formerly special agent of the United Firemen's in the Central West, has been appointed superintendent of agents of the Washington Fire of Seattle in its central department at Chicago.

Mr. Van B. Lady, of Omaha, Neb., formerly superintendent of the central department of the National Life of the U. S. A., has joined the home office of the Michigan State Life as superintendent of agencies.

Mr. Edwin Gott has resigned the vice presidency of the Massachusetts Bonding of Boston. It is reported that he will become connected with a New York surety company which is now forming.

Mr. F. W. Claybrook, Jr., of Baltimore, cashier of the Maryland agency of the Sun Life of Canada, has been appointed district manager of the company for western Maryland.

Mr. Theodore Richter, of Milwaukee, for several years with Richter, Dick & Ruetemann, has retired from the firm, and will open offices for himself in the Germania Building.

Mr. Alfred S. Goddard, of Elgin, Ill., a prominent insurance man, died at his home on September 15 from a stroke of apoplexy, following an illness of three years' duration.

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Mr. Charles H. Luling, formerly Insurance Superintendent of Kansas, and later an agent of the Great Western Life, has joined the Kansas City Life at Kansas City.

Mr. Peley E. Eddy, of Boston, one of the best known insurance men on the street, died at Marblehead, Mass., on Monday, August 31, aged seventy-eight years.

Mr. W. G. Crawley has already assumed his new duties as agency director of the Florida Life of Jacksonville, which will begin writing in Georgia in November.

Mr. D. C. Packard, general agent for the Sun of London in Colorado, and its local agent in Denver, died September 15, after an illness of over a year.

Mr. Charles S. Montgomery, of Los Angeles, Cal., has been appointed general agent of the National Life of Vermont for southern California.

Manager Carl F. Sturhahn, of the Rossia insurance company, has arrived home from Europe, where he has been spending the summer.

President E. G. Shaw, of the Home of New York, will leave tomorrow for the Pacific Coast, to be absent until November.

Mr. Hudson B. Shaw, an insurance broker of Philadelphia, died of heart disease on September 9, aged sixty-four years.

Casualty and Surety Insurance.

Unusual accidents of the week are as follows: While cleaning his fowling piece at an open window a man dropped the gun, which in falling discharged a heavily loaded shell, which entered the body of a neighbor across the street, inflicting possibly fatal injuries; an overdose of morphine taken by a young woman to relieve pain nearly proved fatal; a master mechanic while working on a boiler was badly scalded by steam which escaped when a flue blew out; in using his breast to break a revolver a one armed man shot himself in the left side; while emulating a circus stunt a boy dived 50 feet to the sidewalk, but was not fatally hurt; gas which formed in a whiskey barrel exploded and injured a man who lighted a match in front of the bunghole to see whether the barrel was empty; the son of a clergyman while hunting in the Maine woods was shot in the hip, being mistaken for a deer; while hanging out clothes on a pulley line at her Brooklyn home a woman fell and was caught around the neck by the line on the floor below. and was held firmly till rescued; in attempting to remove a live wire from the path of a pedestrian a California man was burned to death; through the mistake of her daughter, who bathed her eye with a solution of carbolic acid instead of the prescribed eye wash, an Illinois matron will probably lose her sight; while feeding grain into a steam threshing machine a New Jersey farmer caught his arm in the mechanism and it was crushed to a pulp, he later dying from his injuries; in pulling in his horse abruptly when a gust of wind blew his hat off a man was thrown to the pavement and sustained injuries causing hemorrhages of the brain; in carelessly handling his shotgun while in quest of a hawk, a Pennsylvania man discharged the weapon prematurely and shot his mother, who was standing near; while superintending the raising of a two ton dynamo which is being installed in the Times square branch post office in New York in connection with the pneumatic tube service, a foreman was crushed to death when the ropes holding the machine parted; blood poisoning, caused by a neglected scratch on the hand of a New Jersey farmer, necessitated the amputation of that member to save his life; a woman's skirt was caught in the gates of a Coney Island train bound for New York, and she was dragged to her death before her plight was discovered; while attempting to board a trolley car a man was caught between the car and the running board and was injured in the abdomen; a gasoline explosion at Syracuse resulted in the death of a boy employed in the place where the accident occurred, he being blown through the front door and his body burned to a crisp; two keepers at the Bronx Zoo were injured by their pets, one being thrown by a buffalo cow and the other badly bitten by a monkey; an aged woman from New Jersey slipped in a tub of scalding water while a guest at the Waldorf-Astoria and was terribly burned before she was rescued; while attempting to close his office window on the eighth floor of a building in Pittsburgh a broker lost his balance and fell to the street below, being instantly killed; while waving good-bye to friends from a steep bank along a river, a Philadelphia girl lost her footing and fell 40 feet down the embankment, sustaining severe lacerations of the head and body.

The recent issue of the company paper of the North American Accident of Chicago contained the following **pithy** sayings:

Somehow the average man never feels called upon to repent until after he has been caught with the goods.

An accident usually cuts down everything but expenses.

"Many a man looking for sympathy really needs two swift kicks properly placed."

It is not a disgrace to fail, but it is a crime not to try again. Only your best this month.

A 10 per cent. man does not last long in a 100 per cent. man's job. It's up to every man today to deliver the goods. Do it this month.

The wise man mixes the experience of others with a little originality and initiative and wins.

Good luck comes to the hustler—bad luck to those who sit around waiting for something to turn up.

Every man has a different explanation for his failure to make good—of course you won't need one this month.

Don't be satisfied with just enough money to keep you out of the "soup kitchens."

A true friend is a jewel that shines best in the dark.

Not to acknowledge your fault is puerile—not to correct it is disgrace.

When a man is satisfied with himself he begins to shrivel up.

Whiskey is said to improve with age—give it a chance.

Do your best—but not your best friend.

Sometimes a man who knows he is licked refuses to stay licked—he wins.

Any man may make his mark in the world, btu it isn't always a mark of esteem—have you made yours?

"A minute's success pays the failure of years."

The large list of **accidents** connected with the passenger traffic of steam and electric **railroads** in New York State is shown in the recently published first annual report of the Public Service Commission, Second District, which shows that the steam railroads of the district reported 104,113,466 passengers. The ratio of passengers killed to 1,000,000 carried was 24.2; the ratio of passengers injured to 1,000,000 carried was 246.2. The total number of persons killed in the year was 1,092—an increase over the previous year of 156 persons. The number of passengers killed was 52—an increase of 27; of employees, 449, an increase of 106; persons other than passengers or employees, 591, an increase of 23. The total number of persons injured during the year was 2,427, an increase over the previous year of 167. The number of passengers injured was 585, an increase of 262; of employees, 1,576; an increase of 44; persons other than passengers or employees, 255, a decrease of 139. The increase in the number of killed over the previous year is largely due to the disastrous wreck at Woodlawn, on the electric division of the New York Central, and at Lansingburg, on the Boston & Maine. The electric railroads of this district reported 416,279,788 passengers carried. The ratio of passengers killed to 1,000,000 carried was

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5.98, and the ratio of passengers injured to 1,000,000 carried was 104.9. The number of employees reported was 11,834. The ratio to 1,000 employees killed was 23.124. The ratio to 1,000 employees injured was 557.513. The total number of persons killed was 95, an increase over the previous year of 21. The number of passengers killed was 22, an increase of 8. The number of employees killed was 8, the same as in the previous year; number of persons other than passengers or employes, 65, an increase of 13. The total number of persons injured was 769, an increase of 39; passengers injured, 406, a decrease of 12; employees injured, 52, being the same number as previous year; persons other than passengers or em ployees injured, 311, an increase of 51.

Neither the Travelers of Hartford nor the Fidelity and Casualty of New York has signed the agreement drawn up at a recent conference of casualty companies to improve the **collection of liability premiums,** giving as their reasons that they are satisfied to stand pat on their own arrangements for making collections on time. The Travelers originally signed the agreement, but reconsidered the matter when it was found that the Fidelity and Casualty had decided not to enter the agreement. The Travelers stated that the company was in sympathy with the plan. As for the Fidelity and Casualty, the reasons given by its president were that he did not believe in multiplying rules and regulations unnecessarily, and so decided to stand on their own system regarding collections and cancellations. The new rules, effective September 15, which were adopted by the companies relating to liability premiums, were sent out to brokers this week, with the names of the following co-operating companies signed to them: Employers' Liability, Norwich and London Accident, New Amsterdam Casualty, London Guarantee and Accident, Frankfort Accident, Casualty Company of America, Ocean Accident, Maryland Casualty, American Fidelity, Standard Accident, People's Surety, Empire State Surety, United States Casualty and Ætna Life.

The payment of **accident insurance** amounting to $25,000 hinges on the decision whether **Dr. Frederick Rustin,** the Omaha physician who was found shot on his front porch under mysterious circumstances, committed suicide or was murdered. The five companies involved for $5,000 each are the Travelers, Fidelity and Casualty, Ætna Life, Employers' Liability and Casualty Company of America, all of which have signified their intention of resisting settlement under their suicide clause, as no conclusive proof has thus far been adduced of either murder or suicide. The Travelers, Ætna Life and Employers' Liability have filed a petition with the district court at Omaha asking that the testimony of Charles Davis and Mrs. Rice, who testified at the inquest that they were parties to a conspiracy, be perpetuated. Mrs. Rice testified that the doctor trained her to kill him so that his insurance would not be invalidated, while Charles Davis has been arrested charged with the murder. The final outcome should prove interesting.

Referring to an article in our last issue, relative to the recent **negotiations** between the **Massachusetts Bonding** of Boston and the Federal Union Surety of Indianapolis, President T. J. Falvey, of the Massachusetts company, makes the following statement:

The Massachusetts Bonding and insurance company never made an offer to the stockholders of the Federal Union Surety Company of Indiana for the purchase of their company. It did, on the contrary, take under consideration a proposition from the Federal Union Surety Company to reinsure the outstanding surety underwritings of the Federal Union Company on a basis favorable to the Massachusetts company. I could not, of course, be expected to say in detail of what this proposition consisted. I can say, however, that there was a provision for the investment on a strictly cash basis in the capital stock of the Massachusetts company on the part of certain interests identified with the Federal Union Company; the price per share to be paid was the same as the actual cost of each share to the original stockholders of the Massachusetts company. The entire proposition was finally declined by me.

A new coupon policy for the use of the Identification Company of America, of Chicago, has been issued by the **North American Accident** of that city. The principal sum is $2,000, which will be increased 10 per cent. a year for five years by payment in advance of the annual renewal premium. The weekly indemnity is $15 for five weeks or less. The policy covers sickness from thirty diseases, as against twenty in the old form. A number of travel, burning building and common street accidents are insured against, together with an emergency relief at an expense of not over $100. Five dollars a year purchases this policy, an identification pocketbook and a registered key-ring tag.

Accident companies operating **slot machines** as vendors of **travel policies** will watch with interest the outcome of the conference between President Pitcher, of the United States Health and Accident of Saginaw, and Insurance Commissioner Bell, of Kentucky. The commissioner says the law provides only for live agents and solicitors, and he does not see how he can license the machine. He says he will not declare its use illegal or that it is legal, but that he will investigate and see if the machines can be operated without violating the law.

The makeup of the **fidelity and surety committee** authorized by the recent meeting of the National Convention of Insurance Commissioners has been announced by President Crouse as follows, with E. E. Rittenhouse as chairman: Joseph Button, Virginia; J. A. Hartigan, Minnesota; Otto Kelsey, New York; J. V. Barry, Michigan; T. H. Macdonald, Connecticut; J. R. Young, North Carolina; T. J. McComb, Oklahoma; C. W. Fletcher, Massachusetts. The first meeting of the committee will take place in New York city in the near future.

The New York *World* tells of the **hard luck** of a New York lawyer, a resident of Jamaica, in the Borough of Queens, who took out a **burglary insurance policy** at noon, returned to his home and found it had been robbed of several hundred dollars' worth of silver and jewelry at about 11:45 a. m. As the burglars completed their work a quarter of an hour or so before the lawyer took out the policy he will have to await another call from the thieves before fully realizing what protection a good burglary insurance policy is.

The Ætna Accident and Liability has announced the appointment of **Rawdon W. Myers,** assistant superintendent of the burglary insurance department of the National Surety, to become **manager** of the **burglary insurance department** of the Ætna Accident, which is just entering that field. Mr. Myers has served faithfully under Secretary Armstrong, who has had charge of the National's burglary insurance department for several years. The successor of Mr. Myers is Ernest J. Miller, formerly of the Ætna Indemnity.

A resolution was adopted at a recent meeting of the Washington Bankers' Association in favor of a three months' **notice of cancellation** of depository bonds, and opposing State insurance of bank deposits. The meeting also took up the question of a standard form of bank burglary insurance policy. The words "by the use of tools and explosives directly upon

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the safe," etc., are objected to. This subject will be taken up at the forthcoming convention of the American Bankers' Association.

The **Casualty Company of America** has opened a **branch office** for northern New Jersey at Newark, under the management of Louis O. Faulhaber. Offices have been secured at 304 Union Building. Mr. Faulhaber is an experienced underwriter, enjoying an extensive acquaintance among insurers in New Jersey, and a wide popularity among brokers. He is a former Fidelity and Casualty man.

A compromise has been reached at Binghamton, N. Y., between the Broome County Board of Supervisors and the Ætna Indemnity and Fidelity and Deposit companies in the matter of the **misappropriation of $400,000** of county funds during the term of office of David B. King, former county treasurer. The amount compromised for is $30,000, in lieu of prosecution for the entire amount.

An **inspection** of instalment plan **industrial insurance companies** is being made by Insurance Commissioner Hartigan, of Minnesota. He is collecting specimens of the work of all such companies doing an accident or health business in the State. It is said that some of the companies sell a policy which is suspended unless payment is made on the first of the month.

The **Federal Union Surety** of Indianapolis has **elected** former Governor Winfield T. Durbin **president,** succeeding Hugh Dougherty, who resigned to devote his attention to the Marion Trust Company, of Indianapolis, of which he is president. Vice President Abbott will remain in his present position.

It is reported from **Chicago** that the United States Fidelity and Guaranty of Baltimore will soon establish a **Western department** at Chicago, to which a large surrounding territory will report. The company now has department offices on the Pacific Coast and at Denver.

The **National Surety** of New York has declared a regular quarterly dividend of 2 per cent. upon the capital stock to the holders of record at the close of business September 20, 1908.

"Enterprise Accident and Casualty Company" is the new name selected for the Colonial Accident and Casualty insurance company, recently incorporated in Philadelphia.

Insurance Legislation.

Complete copies of all important bills in the legislatures affecting insurance are on file in the office of THE WEEKLY UNDERWRITER.

Georgia.

ATLANTA, Ga., September 15.—A bill will be introduced in the next Legislature, which will convene June 24, 1909, taxing all fire insurance companies doing business in the State 1 per cent. on gross premiums each year for the purpose of maintaining a firemen's benefit fund. This was decided upon at the meeting of the Georgia State Firemen's Association this week.

Miscellany.

Body Weight and Vitality.

(*The New York Times.*)

It is better to be underweight than overweight. This is the conclusion of Dr. Brandreth Symonds in a study of life insurance weights published recently by the *Medical Record.* Basing his observations upon two records independently compiled, embracing 200,000 weights of males shod and clad in ordinary clothing, Dr. Symonds finds that the standard weight of little men increases steadily with age up to the year forty-five; to the year fifty among middle sized men, and to the year fifty-five, or even sixty, for tall men. Each added inch in height adds 3 per cent. to the weight. Women at the age of twenty are 6 to 9 pounds lighter than men of the same height at twenty, but the difference between men and women gradually diminishes with age. The lowest death rate "does not coincide with the standard weight," this being found in the class that is about 5 per cent. below the standard. But persons under thirty who are 5 to 10 per cent. above standard weight have also an unusually low death rate.

At any age above thirty, however, the ratio of actual deaths to expected deaths rises with the percentage of overweight. For example, a group of men 5 feet 6 inches tall, each weighing 195 pounds, which is 30 per cent. too much, would have a mortality of 172 as against 100 expected deaths. On the other hand 30 per cent. excess weight at the age of twenty-two would give a mortality of 87 per cent., which is "not much larger than that of well selected lives"; but 30 per cent. in excess at this age begins to be dangerous. Longlived ancestry does not reduce the excessive mortality of overweights above thirty years, while a short lived ancestry "is bad." Overweight foreigners seem to be worse "risks" than overweight natives.

Underweight persons show as great deficiency of organic diseases of the heart as the overweights show an excess, and this holds true of cerebral congestions and hemorrhage, apoplexy and paralysis, Bright's disease and cirrhosis of the lever. But underweights are more subject to pneumonia and tuberculosis. Nevertheless the person who is slightly underweight, as noted above, has a better chance of living than one of average weight, and in all the ages above thirty, weight falling even 20 per cent. below the insurance table's average does not appreciably increase the mortality.

Moreover, Dr. Symonds observes that the records show no case of an overweight person who attained the age of eighty years at death, while "forty-four underweights passed this age, and two of them even reached the age of ninety before dying." The records in this respect confirm Dr. Russell H. Chittenden's observation that it is usually the spare and active, pale visaged men, men of the type of Oliver Wendell Holmes, who pass the mark of three score years and ten.

Healthy Spots in New York.

(*New York Daily Press.*)

According to statistics compiled by the actuaries of the Metropolitan Life insurance company, the healthiest district in Greater New York is Tremont, well up toward the northern boundary of the city. Only thirteen people out of every thousand died there last year. The average death rate of Greater New York during 1907 was 18.69 per thousand inhabitants.

There are many things that influence the annual number of deaths in various quarters of the city. Overcrowding brings the rate up, but plenty of room, good housing, easily drained soil and a good sweep for whatever winds may blow are the principal elements that make for the healthfulness of any particular district in a great centre of population like this.

The highest death rate noted by these life insurance statisticians is on Manhattan Island in the region south of Canal street on the west side and of Grand street on the east side. There, among the crowded tenements, the death rate rises to the top notch, 26.31 per thousand, notwithstanding that a considerable portion of the lower end of the island is covered with great office buildings, stores and factories, where the permanent inhabitants and the deaths are few, thus decreasing the average when measured against the area of the territory covered.

Staten Island's death rate last year was almost as low as that of Tremont, 14.54, while Jamaica's was only 14.19 per thousand. The district known as Morrisania, however, not far away from Tremont, was not so healthy, 16.39 people dying there out of every thousand.

Another curious thing that is brought out by these statistics is that the region from Eighty-sixth street to 125th street, west of

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the Park and Fifth avenue to the river, had a death rate of 18.70, one point higher than the average in the entire city. What makes this especially noteworthy is that this "Riverside" district, as the life insurance companies call it, would appear to be, at first glance, the one where the death rate should be the lowest. It is there that are located the biggest, most expensive, most modern and luxurious apartment houses in the world, as well as many private residences of the rich and well to do. In this region also are the homes of the flat dwellers of comfortable incomes. Nowhere else are there greater comforts and sanitary safeguards against the inroads of disease, or more liberal means at hand, in the average individual cases, for combating illness with trained nurses and doctors when it appears. The only reason or theory advanced for the high death rate there is that the well to do people live less simply and take less exercise than those whose means are smaller. Late hours, heavy eating and drinking, and sedentary habits, they say, will greatly counteract the good influences of sanitary surroundings, unlimited pure air and sunshine.

On the east side of the park, where there is no less a degree of comfortable living, but where the eastern half of the district has a denser population, the death rate is even higher. In this district, from Eighty-sixth to 100th street, between the Park and the East River, there were 20.39 deaths out of every 1,000 inhabitants last year. From 100th street east of Fifth avenue and north to the Harlem River the rate was a little higher, 20.64 per 1,000; on the west side, from 125th street north to the river it was 18.47.

In the Longacre district, as the insurance people term the section west of Fifth avenue, between Thirty-fourth and Eighty-sixth streets, it is 22.97 per 1,000. From Thirty-fourth street to Canal, on the west side of town, it is 22.48. In the Murray Hill quarter, as the life insurance people call it, between Fiftieth and Fourteenth streets, east of Fifth avenue, the rate is 24.48. Between Fiftieth and Eighty-sixth streets on the same side of town, the number drops to 19.76. In the Chelsea district, between Thirty-fourth and Canal streets, on the west side, it is 22.48, and in the old Knickerbocker quarter, on the east side, from Eighteenth to Grand streets, it is 21.66.

The insurance company's mortality statistics for Brooklyn proper, i. e., the central business part, show a death rate there of 22.15; Bay Ridge and Flatbush are close together, being 17.23 and 17.11, respectively. Williamsburg has 21, Greenpoint 19.37, Bedford 19.79, Bushwick 15.44, Stuyvesant Heights 15.70 and Fulton 22 deaths per 1,000.

The average death rate for 1907 for Brooklyn was 17.57, for Manhattan and The Bronx 19.55.

Lower Fire Insurance Rates Asked for Charleston, S. C.

The special committee on insurance appointed by the city council of Charleston, S. C., has made the following report to that body:

Your committee to whom was referred resolutions regarding the rates of fire insurance now charged in this city, beg to report:

We promptly took this matter up with the South Eastern Underwriters' Association, the bureau which now establishes these rates, and they advise us that a committee has been appointed to confer with us.

We have carefully considered the subject, and conclude that the rates now charged are too high; that the commercial interest and prosperity of the city requires that the matter be given the fullest consideration.

We recommend the passage of the following:

That a reduction of one-third of the present rates now charged for fire insurance on all properties in this city be requested of the insurance companies, as the surroundings and conditions properly entitle this city to these reductions in insurance rates.

That future schedule ratings for insurance charges on all properties as applicable to the city under the rules of fire underwriters be arranged for, and proper publicity given to same, so that the insurers of property, as well as the insurance companies, can consider the charges under such schedule ratings with remedial effect, thus preventing future fire waste.

That your committee be authorized to employ such assistance to look after the interest of the city in the proper promulgation of these rates and schedule as may be necessary, such expenses to be approved by the Ways and Means Committee.

That the insurance companies be requested to put into effect the rates as will be arranged for under these plans within thirty days from date of this report.

That a copy of this report be sent to the South Eastern Underwriters' Association at Atlanta, Ga., and to the various fire insurance companies doing business in Charleston.

All of which is respectfully submitted.

APPEAL TO THE INSURANCE COMPANIES.

The committee has also addressed the following letter to the fire insurance companies writing risks in Charleston:

Dear Sirs—Charleston, S. C., has carefully considered the report of an inspection made by the National Board of Fire Underwriters regarding its fire protection and general surroundings from such standpoint. Every detail of this report has been considered by the different departments of city government, and the suggested defects have been remedied.

Better building laws have been enacted by the adoption of the National Board Building Code, and same will be properly enforced.

The fire department has been improved subject to the suggestions made, and the public water works are now all that can be desired. General improvements as to extra water mains, hydrants and other suggestions of the report regarding public utility have been carried out.

The commercial bodies of the city, as well as the community in general, have taken a live interest in these matters, desiring to follow out every recommendation made to them which would tend to prevent fire waste, and consequently bring about reduction in the charges of insurance. So that a great deal has been accomplished which will tend to the material benefit of insurance companies, as well as insurers of property, all of which will bring about closer association between these interests through proper conference and better acquaintance.

We ask your consideration of the enclosed resolutions, and an expression of your views on the subject matter of same, feeling satisfied that when you look into the fire record of this city for years past, together with improved conditions, that this request for proper reductions in rates will meet with your prompt compliance, as the surroundings and conditions justify same. Your attention and reply will oblige, yours very truly,

J. WAHLTMANN,
Chairman Special Insurance Committee, City Council.

Union National Accident Co.

JAMES A. FLAHERTY, *Pres.*

This Company is now prepared to make contracts with high grade producers. Our up-to-date policies will prove to be easy sellers.

HOME OFFICE:

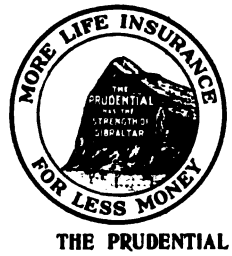
Manhattan Building, PHILADELPHIA, PA.

"It meets all competition. The demand for absolute guarantees rather than estimates and uncertainties is constantly growing"

That's the way PRUDENTIAL FIELD MANAGERS are talking about

The NEW Low-Cost Life Insurance Policy of

The Prudential



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Incorporated as a Stock Company by the State of New Jersey.

JOHN F. DRYDEN, President — Home Office, Newark, N. J.

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OF SCOTLAND

Founded 1805. The Oldest Scottish Insurance Office.

UNITED STATES HEAD OFFICE

Caledonian Building, 50-52 Pine Street, New York City

STATEMENT JANUARY 1, 1908

Assets,	$1,840,940.53
Liabilities,	1,373,553.08
Net Surplus over all Liabilities,	$467,387.45

CHAS. H. POST, United States Manager.
R. C. CHRISTOPHER, Asst. United States Manager.

London Assurance Corporation,

CHARTERED A. D. 1720.

Surplus in United States January 1, 1907, $650,599.91.

CHAS. LYMAN CASE, Manager.

84 William Street. NEW YORK.

SUN

Insurance Office OF LONDON

FOUNDED 1710

UNITED STATES BRANCH:

54 PINE STREET, NEW YORK

WESTERN DEPARTMENT:

171 LA SALLE ST., CHICAGO

PACIFIC DEPARTMENT:

N. E. Cor. Sansome and Sacramento Sts.

SAN FRANCISCO, CAL.

Western Assurance Company

HEAD OFFICE: TORONTO, CANADA.

INCORPORATED 1851.

Hon. GEO. A. COX, President.
W. R. BROCK, Vice President.
W. B. MEIKLE, General Manager.

UNITED STATES STATEMENT, JANUARY, 1908.

Assets	3,313,222.31
Surplus in United States	$2 584,136.52

BRITISH AMERICA ASSURANCE CO., INCORPORATED 1833.

FIRE AND MARINE. Head Office: TORONTO, CANADA.

UNITED STATES BRANCH.

JANUARY 1, 1908

Assets	1,545,432.69
Liabilities	1,063,661.55
Net Surplus	$481,771.19

HON. GEO. A. COX, President. W. R. BROCK, Vice President.
W. B. MEIKLE, General Manager.

Insurance Co. of North America,

232 WALNUT STREET, PHILADELPHIA.

FOUNDED 1792.

Assets, January 1, 1907		$10,748,864
LIABILITIES—Reserved for Reinsurance and all other claims	$6,705,870	
Capital Stock	3,000,000	
Surplus over all Liabilities	1,042,994	$10,748,864

Agents in all the principal towns and cities.

CHARLES PLATT, President.
EUGENE L. ELLISON, Vice-President.
BENJAMIN RUSH, Second Vice-President.
GREVILLE E. FRYER, Secretary and Treasurer.
T. HOUARD WRIGHT, Assistant Secretary.
HENRY W. FARNUM, Marine Secretary.
JOHN O. PLATT, Assistant Secretary.

Offices in New York: Fire, 51 William St.; Marine, 63 Wall St.

Established 1782.

Phoenix Assurance Company, Ltd.,

OF LONDON.

FIRE INSURANCE ONLY. LOSSES PAID, OVER $135,000,000.

Head Office for the United States, 47 Cedar St., N. Y.

A. D. IRVING, Manager LOUIS P. BAYARD, Asst. Manager
A. D. IRVING, JR., Sec.

SAMUEL GANS, President
LEOPOLD GANS, Vice-Pres. & Gen'l Mgr.

SAMUEL GANS CO.

186-188 WOOSTER ST., N. Y.

New York Chicago Atlanta

Renovators of Fire and Marine Salvages

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Stocks handled at lowest percentage consistent with proper results, accompanied always with Cash Guarantee. Our methods fortify adjusters in advance of closing loss.

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Expert advice cheerfully given.

EDWIN W. WILE, Resident Manager
Home Office: Chicago, 207-209 E. Madison St.

COMMON SENSE PROTECTION

includes insurance against

1. DISEASE 2. ACCIDENT 3. DEATH

THE COLUMBIAN NATIONAL LIFE INSURANCE CO.

OF BOSTON, MASSACHUSETTS,

provides all three, as no other company does incorporated under the stringent laws of Massachusetts. Attractive, Non-participating Life Policies. Liberal and Definite Accident and Health Policies. Surplus to Policyholders, over $1,800,000

Men with clear records wanted as District Managers. Save time by sending record and references with first letter to

Home Office: 176-180 Federal St., Boston, Mass.

[FIRE]

German American Insurance Company New York

STATEMENT JANUARY 1, 1908

CAPITAL

$1,500,000

RESERVED FOR ALL OTHER LIABILITIES

7,592,685

NET SURPLUS

4,415,353

ASSETS

13,508,038

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Mutual Life Policies

ARE EASIEST TO SELL

BECAUSE

Yearly dividends have been increased for the last three years, 1906-7-8, at a rate equaled by no other company.
Cash values guaranteed in the new life and endowment policies are equaled by few companies.
Attractive features have been added to standard policy forms.
Liberal terms offered producing agents under the 1908 contracts.

For information, address

GEORGE T. DEXTER
Second Vice-President
The Mutual Life Ins. Co. of New York
34 Nassau Street, New York, N. Y.

1825. THE 1908.

Pennsylvania Fire Insurance Co.

OF PHILADELPHIA.

Cash Capital	$750,000.00
Reinsurance and all Liabilities	4,096,833.14
Surplus	1,615,283.97
Total January 1, 1908	$6,462,117.11

R. DALE BENSON, Pres. W. GARDNER CROWELL, Sec.
JOHN L. THOMSON, Vice-Pres. HAMPTON L. WARNER, Asst. Sec.
WM. J. DAWSON, Sec. Agency Dept.

NOTICE

Insurance Losses and Claims for Damages amicably and satisfactorily Adjusted. Otherwise resisted, defended at Law or in Equity for Companies by

T. F. HANLON

ADJUSTER AND ATTORNEY

BALTIMORE, MD. Calvert Bldg.
WASHINGTON, D. C. Colorado Bldg.
(Address Washington. 'Phone: Main 7132).

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The Connecticut Mutual Life Insurance Company

Stands alone among the American companies of any note, in having repaid to its members, their beneficiaries and estates, in annuities, endowments, death claims, surrender values and dividends, more than it has received from them in premiums. These are the totals:

Received since organization—1846	$249,356,745.45
Repaid as above noted	253,641,382.54
Excess over amount received	4,284,637.09
Assets December 31, 1907	65,003,271.10
Surplus December 31, 1907	2,326,657.25
Insurance in force December 31, 1907	174,716,005.00

President, JOHN M. TAYLOR.

FIREMEN'S

Insurance Company of Newark, N. J.

ORGANIZED 1855

CAPITAL,	$1,000,000.00
ASSETS,	4,701,068.80
SURPLUS TO POLICYHOLDERS,	3,148,371.45

DANIEL H. DUNHAM, President CHARLES COLYER, Vice-President
A. H. HASSINGER, Secretary

WHITON & MERGES, Agents, . . 73 William Street, New York
LEWIS & FREAR, Agents, . . . 145 Montague Street, Brooklyn
H. W. BEALS, Suburban Agent, . 76 William Street, New York

THE LEADING FIRE COMPANY OF THE WORLD

ROYAL INSURANCE COMPANY LIMITED

[of Liverpool, England.]

1860 48TH YEAR 1908

HOME LIFE INSURANCE COMPANY

OF NEW YORK.

GEORGE E. IDE, President

ASSETS, $20,004,853.63. LIABILITIES, $19,235,418.20.
(Including Dividend-Endowment Fund)

Dividend-Endowment Fund (Deferred Dividends)	$1,795,020.00
Net Surplus	769,435.43
Insurance in Force	86,193,296.87

The forty-eighth annual report shows a gain in the amount of insurance in force; that assets were increased nearly $1,000,000, and that over $300,000 was paid to policyholders in dividends.

INCORPORATED 1851.

Berkshire Life Insurance Company

OF PITTSFIELD, MASS.

All Policies issued by the Company are subject to the Massachusetts Non-Forfeiture Law.

JAMES W. HULL, Pres. J. M. LEE, Actuary.
THEO. L. ALLEN, Sec. ROBT. H. DAVENPORT, Asst. Sec.

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The Weekly Underwriter:

AN INSURANCE NEWSPAPER.

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Entered at the New York, N. Y., Post Office as second class matter.

CHARLES A. JENNEY, President and Treasurer. L. ALEXANDER MACK, Secretary.

THE differences between Commissioner Rittenhouse, of the Colorado Insurance Department, and the United States Fidelity and Guaranty Company have again reached an acute stage, as will appear from the statement of the commissioner and the counter reports on the condition of the company made by the examining actuaries for the Colorado and Maryland insurance departments, printed elsewhere in this issue. The friction between the parties has naturally evolved some warmth of language, but it really is not necessary to impugn the good faith of either. It is a question of the "point of view." In the circumstances—where all want to be fair—a way ought to be found, at the hearing set down by the commissioner for September 30, to reach a common focus.

WE beg to acknowledge the receipt of the check of the receivers of the Guarantors Liability Indemnity Company of Philadelphia for the sum of six cents, being the award of the auditors for said receivers on our claim against the insolvent corporation for $125.30 for advertising. We have been awaiting this settlement for some ten years or more, and now regret it profoundly, for the exchange on the check has brought us in debt to our bank in the sum of four cents. It would cause us much concern if we felt that the receivers of the Guarantors Liability Indemnity Company of Philadelphia had suffered from a similar back set after their long and arduous services in adjusting its affairs for the benefit of its creditors. But we are reassured by the thought that it is the custom of receivers to look with care after their own interests, on the principle that self preservation is the first law of nature. And here we might compose a homily on the nature of receiverships and show how much better it is to be a friend of the Court when a corporation is impaired than the owner of its assets. For in the end does not the friend acquire the major portion of the assets? But the subject is rusty.

STATE fire marshalships are justified by the results achieved in Ohio, in which the department reports a large decrease in the number of cases of arson presented to grand juries in Ohio counties, compared with previous years, and also in their importance. With the opening of the courts for the fall sittings not more than twenty-two cases have been filed, and these are widely scattered and all trivial. The fire marshal reports that not more than three or four of these can be traced to a desire to profit from the insurance, and the motive of most of the remainder is undoubtedly revenge. The fire insurance interest will find it exceedingly profitable to encourage the creation of State fire marshal offices on Ohio lines in the States now without them. One of these lines recently announced is the appointment of inspectors whose duties are to make secret inspections of stores, factories, garages and other places where explosives are likely to be stored or rubbish may accumulate. The names of these officials are not made public, and in effect they constitute a secret fire inspection service. The insinuation of our Cincinnati-Chicago contemporary that they are really an adjunct of a political organization to ferret out possible defections from party regularity, at the expense of the fire insurance companies, must be due to mental excitement induced by the heat of the Ohio campaign. The idea is admirable and will survive the presidential election.

LAWS requiring deposits from other State companies are tolerable only because they are not universal. A few States require deposits; Georgia $10,000 and Oregon $50,000 from fire insurance companies; Ohio $100,000 from foreign companies, and there are others. A movement is on foot in Oregon to repeal its deposit law on the ground that it excludes many desirable companies from the State. It narrows competition and sends business out of the State to be written. Perhaps because it does lessen the number of competitors the companies which have already complied with the moderate Georgia law are not inconsolable. But the idea of a compulsory deposit from non-domestic insurance companies is a favorite one with some legislators, and the forthcoming wholesale legislative season will certainly bristle with bills to "protect the policyholders of this State against insurance companies failing to pay their losses." To all prospective legislators in whose brains these bills are incubating, and to the Oregon agitators of repeal as well, we commend the following article, which appeared in the columns of this paper seventeen years ago when a bill to exact $25,000 from all fire insurance companies was introduced in the Tennessee Legislature:

We take it that a law which is proper and useful in Tennessee would be equally proper and useful in every other State "to protect policyholders." To make such a deposit in all the States and organized Territories in the Union as is required by this bill for fire insurance companies would require for each company doing business in all these States and Territories deposits amounting to $1,225,000. There are only a little over thirty American companies that have assets enough to comply with such a demand, and some of these would have to put up all their available funds. Putting the interests of the companies aside how would this affect policyholders? The average weekly losses paid by a number of these companies exceed the amount of such deposits. There are many weeks in the year, days even, when losses would greatly exceed the amount of the deposit. Would it conduce to the protection of policyholders to have one of these companies with a million and a quarter of assets tied up in the hands of State authorities meet with a loss that it would be unable to pay? It could not touch its deposits, and would be reduced to its daily income to meet its needs. In other words only the larger companies would be able to do business at all, and these would be reduced in the security they offered to the people of any State, to the amount of their deposit therein, plus their floating income. Any large fire would bankrupt all the companies of the United States, because every State would cling to its little de-

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posit of twenty-five thousand dollars, and there would be nothing to pay with. By all means protect policyholders, but do not deprive them of the protection now guaranteed by capital, assets and surplus.

Two weeks ago we commented upon the reported adoption of a resolution by the Associated Fraternities of America in its annual convention at Chicago, authorizing the appointment by its executive committee of a commission to act with a committee of the National Fraternal Congress and other fraternal bodies in preparing a new table of mortality, based on statistics of fraternal societies in the United States, covering their entire experience, and "to prepare a uniform bill to be presented to the next Congress of the United States, giving the United States Government control and full authority over the operations and management of all fraternal insurance societies of the United States." We took occasion to express the opinion that so far as the National Fraternal Congress was concerned the resolution would fail, as that organization appeared to be satisfied with its own model law, and that so far as national supervision over the fraternal business is concerned the resolution would fail too, because there is to be no national supervision over any kind of insurance. Now comes our friend Robinson, secretary of the Associated Fraternities, and politely pokes the following statement at us:

The only resolution introduced which bears even a slight resemblance to that published in THE WEEKLY UNDERWRITER was the following, which was adopted by unanimous vote of the convention:

"Resolved, that an American fraternal experience table of mortality, constructed from data now available or easily accessible, by actuaries of recognized professional standing, is one of the most urgent needs of the hour in the solution of the rate problems confronting so many fraternal beneficiary societies.

"Resolved, that a commission of three be named by this convention (changed on final vote to 'be named by the executive committee') to devise ways and means, and to co-operate with like commissions from similar organizations or individual societies, for the construction of such a table."

This resolution was adopted immediately following the reading of a paper by William Francis Barnard, an actuary of prominence, in which he discredited the accuracy of the National Fraternal Congress mortality table. Instead of being opposed to adequate rates, the convention reaffirms its former position in favor of adequacy, and authorized its executive committee to agree to any bill which in their judgment should be for the best interests of the societies, including the power to agree upon a minimum rate clause.

We will have to turn Mr. Robinson over to the tender mercies of the Western newspapers, which in their reports of the convention asserted that his association did pass the resolution upon which we commented. However, his disclaimer is entitled to this publicity in our columns, as is also his denial that the question of fraternal control was either raised or discussed in the convention. The Western reporters have the floor.

Facts and Opinions.

The Insurance Commissioner of Colorado is not fully satisfied with the attitude of the new proprietors of the **Provident Savings Life Assurance Society** concerning the proposition of the fourteen State insurance commissioners that the policyholders shall be permitted to select five of the fifteen directors of the company, and says so in his official bulletin, which follows. The contention of Mr. Rittenhouse is that the selection of policyholders for the directorate by the new owners is not selection by the policyholders themselves. He says:

The extraordinary condition surrounding this society has called for unusual action to protect the interests of the policyholders. As a result of the publicity given by this department and by the policyholders' committee to the proposed sale or transfer of over $9,500,000 of assets of this company to a small and impaired insurance company of Kentucky, and also owing to the attitude of the Superintendent of Insurance of New York, this plan was abandoned. Nearly all the stock of the society is now owned by Kentucky capitalists, who are represented by the new president, Mr. Arthur G. Langham. Owing to the fact that the new owners have expended about $280,000 to secure control of this society, and that virtually as much more will be needed to make good the impairment of the company, and to cover the cost of establishing a new field force to resume the writing of new business, it would seem that the purchase of this society was more of a speculation than an ordinary profit earning investment, for the prospect of earning a reasonable interest on this large sum is extremely remote, not to mention the possibility of securing the return of the principal or of making the stock worth this enormous amount. In view of this condition and the fact that the assets of this company are the sole property of the policyholders, and that the funds of the policyholders have been badly misused by former managements—managements which commanded at the outset as much confidence and perhaps more than the present new owners—the undersigned has urged that the new owners permit the policyholders to select five of the fifteen directors in order that they may hereafter have a chance to observe at close range, through their own direct representatives, the handling of their own funds. This seemed a reasonable request, and one well calculated to give the new management the confidence and support of the present policyholders. The commissioners of fourteen insurance departments later joined in a similar request upon the new president. So far the new owners have undertaken to satisfy the policyholders by asserting that there were already policyholders on the directorate, but this of course simply evades the issue. If the new owners are to select all the directors, they will be doing the same as former managements have done, and shut the policyholders out from selecting their own representation. This department has hitherto advised the policyholders against lapsing, urging them to wait until they could learn whether or not the society was to be again exploited for the benefit of promoters. Whether or not this advice to policyholders will be withdrawn depends upon the answer of the new owners to the communication from the commissioners, which urged that the policyholders be permitted to select some of the directors, and also asked for information as to certain plans of the new owners. This matter will be treated fully in a later bulletin.

A rather embarrassing situation is presented in **Kansas City,** due to the conflict of receiver and Board rules in connection with the voluntary **bankruptcy proceedings** of the Duncan-Ford Investment Company, which represents the Citizens of Misouri, the Fireman's Fund of San Francisco and the London Assurance. The receiver is Herbert V. Jones, of the insurance agency of Child & Jones. The companies desired to transfer to new agents to protect their business, as all ceased writing when the receiver was appointed, but the court has issued an order restraining the companies from withdrawing from the agency, the receiver holding that the expirations are a valuable asset of the firm which it is his duty to conserve. In addition the London Assurance is in a peculiar situation because it maintains a second agency in Kansas City. The constitution of the local board prohibits members from accepting a company already represented in Kansas City without the permission of the Board. Should the court allow the London Assurance to transfer, it will be necessary for it to secure the consent of the local board unless it goes on the sole agency basis with its other agent. A meeting of the Kansas City Fire Underwriters' Association will be held on Monday, at which an amended bylaw governing company representation will be voted on. This provides for the sole agency basis hereafter for all companies except those which at the time of the adoption of the article have not to exceed two agents in Kansas City. Such companies may continue the dual representation provided that both agents are members of the Board.

An interesting point is involved in the suit brought this week in the Circuit Court at Baltimore by the estate of John Beveridge **to recover $1,000,** less one payment of $40, from the Equitable Life Assurance Society. The deceased, who was seventy-eight years old, paid the above amount to secure an **annuity** in the Equitable, and was to receive $40 monthly for life. He died, however, after drawing one payment, and the executors are trying to recover the original sum on the ground that the annuitant was mentally unsound at the time

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he made the contract. The court reserved decision. Should the courts compel the insurance company to refund the money the principles of the annuity settlement would be jeopardized. If the annuitant had lived to receive twice the amount he had paid in it is unlikely that anything would have been heard from the executors. The general law of average applies to annuities the same as to ordinary life insurance policies. The company is unable to tell at the issuance of the contract whether the assured will die in one day or twenty years, and if every annuitant lived out his expectancy no company could afford to take a chance on that class of insurance. It is one best bet that the executors will be unable to recover the $1,000.

The **appointment** of the following **committees** has been announced **by President Beardsley,** of the National Association of Local Fire Insurance Agents:

Executive Committee—Charles B. Weil, chairman, Milwaukee, Wis.; L. C. Merrill, Concord, N. H.; Frank R. Leib, Harrisburg, Pa.; R. F. Manly, Birmingham, Ala.; F. H. Wagner, Minneapolis, Minn.; J. N. Manson, Wausau, Wis.; Charles L. McNeil, Torrington, Conn.; W. H. Hecox, Binghamton, N. Y.; Frank A. Cannon, Owensboro, Ky.

Joint Conference Committee—W. L. Hatch, chairman, New Britain, Conn.; Walker Taylor, Wilmington, N. C.; W. T. Paxton, Buena Vista, Va.; Henry H. Hikok, Burlington, Vt.; W. B. Flickinger, Erie, Pa.

Western Conference Committee—Clarence S. Pellett, chairman, Chicago, Ill.; B. F. Kauffman, Des Moines, Ia.; August Rebhan, Milwaukee, Wis.; A. W. Neale, Cleveland, Ohio; E. B. Case, Chicago, Ill.

Committee on Revision of Constitution and Bylaws—Charles F. Wilson, chairman, Denver, Col.; A. H. Robinson, Louisville, Ky.; John C. North, New Haven, Conn.

Cotton Conference Committee—Edward Yerger, chairman, Jackson, Miss.; George S. Kausler, New Orleans, La.; Alcorn Ferguson, Newport, Ark.; J. H. Johnson, Clarksdale, Miss.; F. G. Lumpkin, Columbus, Ga.

Committee to confer with National Credit Men's Association—E. H. Forry, chairman, Indianapolis; D. R. McLennan, Chicago; R. S. Pavior, Rochester.

The local board at **Richmond, Ind.**, notified the companies several weeks ago that the **advance** recently made **in rates** on special hazards was being questioned, and that the local board had authorized the agents to write expiring business at the old rates pending consideration by the companies. The companies sent a special inspector to reapply the schedules and found that the increases were entirely due to the conditions of the plants, the lower rates previously made having been due to overlooking serious defects and giving credit for inadequate improvements. The governing committee has recommended that the companies stand by the schedules and the rates made by their application, and agents are being instructed to collect the new rates and advance any line that may have been written at lower figures. Inspector Sellers of the Indiana Bureau, has been asked to send an inspector to Richmond to visit personally each risk in controversy and inform the owners of the improvements necessary to reduce their rates. The Richmond Commercial Club has been opposing the advance, but the companies claim that this is due to the opposition of a firm which has not placed its business with the local agents for three years past.

Eight "forgets" which should not be forgotten are given by the New York Life as inspiration for its agents in canvassing for signatures on the dotted line. Here they are:

Forget the faults of others.

Forget the trivial offenses, pin pricks and slights incidental to all life.

Forget to get angry at accusations that you know to be untrue and unjust. If you are in the right you can afford to keep your temper; you can conquer an opponent all the quicker by keeping cool.

Forget the crimes and unhappiness told of in the daily press, and remember the bright things; remember the millions of people who are honestly trying to do their duty. The bad things are often displayed in big type, while the millions of good deeds of men and women every day are not played up very much by the papers. They are a powerful force in the world nevertheless.

Forget to speak ill of people. It is better to keep silent than to claw at and tear down the reputations of others.

Forget past mistakes. Make the present and the future wipe out past errors. The past is only valuable in the light of experience and as the regulator of our present and future conduct.

Forget the rebuffs and setbacks that everyone who is making any headway or doing anything in the world is bound to receive.

Forget everything when you go in to insure a man except that you must get his application. You can pretty nearly get his signature every time for the New York Life if you will to do so strongly enough, and if you are fully prepared in all directions when you begin to talk business.

The importance of the **middleman in life insurance** is not to grow any less, according to the *Monthly Bulletin* of the Fidelity Mutual Life of Philadelphia, which says in this connection as follows:

Life insurance will not sell itself. The public is becoming better educated in insurance matters, but it seems slow to grasp this basic truth. The impression still prevails in many quarters that the agent is some kind of a favored henchman, being enriched by commissions which, under more equitable conditions, could be saved to the insuring public. This impression is born of the tendency of the times in the commercial world to eliminate "the middleman." It is fostered by a class of journalists with more cunning than conscience. A great many people, feeding on this "canned thought," accept it as a truism and assume an unfriendly attitude toward life insurance. That "the middleman" will eventually disappear from the commercial world as a result of the present economic readjustment seems quite likely, but from life insurance, never; unless there come a day when human nature will change, and selfishness become a thing unknown. Men will seek food and raiment without persuasion, but it is a fact proven by the experiment of private corporations and of governments that men must be urged to seek protection for their families. Selfishness and procrastination overcome good intentions. This then is the mission of "the middleman": to teach men to be unselfish. And just so long as there is selfishness among men, just so long will "the middleman" be an indispensable factor in the life insurance world.

How a **mortgage** may be **lifted by a life insurance policy** is told in *The Ingleside,* the official paper of the United States Life of New York. The article says:

What an uncomfortable thing a mortgage usually is and how many people are unpleasantly familiar with it. A great multitude of persons all over this broad land of ours are the proud possessors of houses and farms, large or small, in which they now really own only a small equity, but which equity they hope to increase year by year until the mortgage is actually and finally paid off. And until this happy moment arrives they are sure to live? Of course they are; or one would imagine so from the fact that not one mortgagor in fifty ever thinks of protecting his investment by a policy of life insurance. Now, as a matter of fact, you know and we know that a great many of these very people will die before the mortgage is "lifted," and that the family will then have a hard struggle to pay the interest and taxes, while the reduction of the principal indebtedness will be a matter of the greatest difficulty. * * If a man owes $2,000 on his home, let him take out a term policy for that amount and as he pays down the mortgage he can reduce the amount of his insurance if he wants to. We say "if he wants to," for he usually becomes so comfortable in mind because he is insured that he feels more like increasing insurance than reducing it. Be that as it may, if death occurs, the insurance policy immediately wipes out the balance due on the mortgage and the family enters into possession of a home that is free and clear of all indebtedness.

The **evils of "twisting"** are convincingly brought out in the following remarks from the *Puritan Record,* the agents' inspiration of the Puritan Life of Providence, a company which is one year old in November:

There exists in life insurance—unfortunately—what has come to be known as the "twister," an agent who endeavors to pose as your benefactor, but who, in fact, is striving only to fill his own purse at the expense of yours, by specious arguments in favor of the company which he represents, and hearty condemnation of the company in which you are already insured. He presents a proposition which appears to save money for you, but after the deal has been consummated you find that he was the gainer, you the loser. Once you have paid a premium on a policy in any good company keep it up! You can only lose by dropping it to take out insurance elsewhere. If your contract with us is not just the kind which suits your needs, ask the company to figure with you regarding a possible

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change. We can do better by you than another company on account of the amount you have already paid in. Your age has increased since you first entered, so that you must pay an increased rate if you buy elsewhere. Also, your old policy is nearer maturity. Remember that the agent who wants to change your policy to one which he has to offer is not a philanthropist; he is looking out for himself. After that you come first. The only one who makes any money out of the transaction is the agent, who puts the commission into his pocket.

Under the head "When the Government Adopts Your Idea as Its Ideal," the **Fidelity Mutual Life** of Philadelphia makes the claim that the **Massachusetts savings bank** form of life insurance **policy** is a copy of the Philadelphia company's "quarter century" contract. It will be interesting to hear what Massachusetts actuaries have to say about this. Regarding this matter the company says:

It is a recognized fact that to satisfy the State of Massachusetts an insurance contract must measure up to a high standard. It may be assumed, therefore, that the adoption of a standard policy for its system of savings bank insurance stamps such a contract as an ideal insurance policy. An examination of the policy adopted shows it to be, in effect, a copy of our "quarter century" contract. If the insured dies before age sixty-five the beneficiary will receive $500. On reaching sixty-five the insured is paid a life income. If the insured dies after the annuity has begun, the beneficiary will receive the face of the policy, $500, less the sum of the annuities already paid. We are not surprised that the "quarter century" policy has been copied. It is, indeed, an ideal policy. For years we have proclaimed it as such. The State of Massachusetts, that devotes so much time and thought to insurance matters, pays us the highest possible compliment when it adopts this policy as its ideal.

The loss on the **car barn** of the **New York City Railway Company,** at Ninety-sixth street and Second avenue, from the fire of February 29 last, has been adjusted on the basis of about 14.6 per cent. on the face of the policies involved. The insurance, which was in the names of the receivers of the New York City Railway Company and the Metropolitan Street Railway Company et al., including both direct and schedule involved in the fire, aggregated $4,456,000, and the insurance loss, after providing for the operation of coinsurance, was found to be $654,000. Covering on item 3 the rolling stock, there was total insurance, specific and schedule, to the amount of $4,138,000 involved, and on this item the insurance loss will be $420,000. The building carried insurance of $307,527, and the insurance loss on this item has been fixed at $227,000. The contents of the building other than rolling stock was insured for $10,250, and the companies will be asked to pay $7,146 for this item, bringing the total insurance loss to slightly over $654,000.

The demolition of the old **Wanamaker building in Philadelphia** is under way, and of the "finest department store building in the world," which is to be erected in its place, the *United States Review* says:

As soon as the old structure is demolished work will be rushed on the balance of the new building, which, when completed, will be the largest and best equipped department store structure in the world. In referring to his new store, Mr. Wanamaker says: "It is the only fireproof store in the city, and you can think of what it will be when all completed. It is the safest place to work in, buy in or visit in within this or any other city. There's nothing in the structure itself to burn. From sub-cellar to roof there are constructed wide staircases built upon iron horses with stone treads that are so walled up that they are even smokeproof. There are now eighteen passenger elevators with other freight elevators in constant use—and six more to be finished and in use in six weeks. These elevators are of the most costly construction to insure greatest safety. There are no boilers or fire or electric works in the building, and this is wholly a measure of safety for all the people." The insurance on this new building will be placed by Robert M. Coyle, of this city, who handles all of Mr. Wanamaker's lines.

The **new president** of the **Massachusetts Mutual Life** of Springfield, Mass., and successor to the late John A. Hall, will be Second Vice President William W. McClench. The elevation of the second vice president to the presidency was decided on at a meeting of the directors on Wednesday, but the formal election will not take place till the regular quarterly meeting in October. William H. Sargeant, heretofore secretary, will become second vice president, and Wheeler H. Hall, assistant secretary, will be elected secretary. Henry M. Phillips will continue as first vice president. Mr. McClench has been connected with the law department of the company since 1893, and since 1898 has been its general counsel, succeeding the late Judge Wells. Besides his interest in the Massachusetts Mutual, Mr. Clench has been mayor of Chicopee, president of the Springfield Board of Trade, a director of the Hampden Trust Company and a trustee of the Springfield Institution for Savings. He is fifty-four years old.

The bi-monthly meeting of the **Philadelphia Association of Life Underwriters** was held at the Hotel Walton Thursday night, F. H. Garrigues presiding. A large number of members attended. At the conclusion of the meeting a dinner was served, the guest of the evening being Actuary S. H. Wolfe, who addressed the members on the subject of the changes in the insurance business and the necessity for considering each step as a necessary one in the betterment of the life insurance structure. Mr. Carroll, the Philadelphia representative of the Connecticut General, and the only member of the local body who attended the National Convention at Los Angeles, gave a lengthy and detailed description of his trip and the transactions at Los Angeles. Mr. Durham, one of the general agents of the Penn Mutal Life, and a member of its board of directors, spoke upon some of the live topics of the business, and the good night was pronounced by F. C. Oviatt.

The election of officers at the annual meeting of the **Life Underwriters' Association of Canada,** at Quebec, which concluded Thursday last, resulted as follows: President, J. R. Reid, Ottawa; vice presidents, E. E. Boreham, Quebec; J. B. Morissette, Quebec, and C. P. McQueen, Alberta; secretary, J. N. Weston; treasurer, F. H. Heath; auditors, James Craig and A. S. MacGregor; executive committee, H. C. Cox, Toronto; J. E. Martinas, Prince Edward Island; W. J. Marquand, Nova Scotia; E. R. Machum, New Brunswick; J. T. Lachance, Quebec; A. S. Wickware, Ottawa; J. O. Hutton, Kingston; R. F. Ketcheson, Belleville. The Alberta association won the silver cup presented for increase in membership, having grown from twenty-five to sixty-eight during the year. The cups for the prize essays were won by W. Hamilton and J. F. L. Stanford, both of the Toronto association. It was decided to hold the 1909 meeting at Toronto.

Although the National Board of Fire Underwriters is not engaged in the poultry raising business, it has recently issued a pamphlet containing the rules and **requirements for the installation** and construction of **incubators and brooders.** The rules follow the recommendations of the committee of consulting engineers. Under Class A are given the incubator systems which do not require the use of lamps and kerosene oil, and are considered from the insurance viewpoint as the least hazardous. This includes coal heated, hot water systems and electrically heated and gas heated incubators, as distinguished from the oil heated kind. The electrically heated incubators must be in non-combustible or wooden cases, the gas heated in non-combustible or metal protected cases, and the oil heated be protected in a similar manner. The classification of brooders is along the same lines.

A special meeting of the **Chicago Life Underwriters' Association** will be held at the Union League Club on Monday evening. President Edwards, of the National Association, will be the guest of honor, and the meeting is set for this date

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because of his presence in the city. At the Los Angeles convention an executive council was created to confer with the president, made up of Ernest J. Clark, of Baltimore; Henry J. Powell, of Louisville; W. M. Wood, of Pittsburgh, and W. G. Carroll, of Philadelphia. President Edwards has invited the council to meet him in Chicago on his way East, and they also will be guests of honor. In addition, T. L. Fansler, of the Northwestern Mutual, delegate from Chicago, will report on the Los Angeles convention, and L. Brackett Bishop, of the Massachusetts Mutual Life, will give some reminiscences of his recent trip abroad.

The third **million dollar life insurance transaction** in the history of the business was completed in New York this week when Frank T. Heffelfinger, president, and Frederick B. Wells, vice president, of F. H. Peavey & Co., Inc., of Minneapolis, Minn., owners of the largest grain elevator system in the world, took out $1,000,000 in life insurance, payable to the corporation. Five hundred thousand dollars was written on each man's life. Warren M. Horner, general agent for Minnesota of the Provident Life and Trust of Philadelphia, had charge of placing the business. The Provident Life and Trust wrote its limit of $75,000 on each life, and the balance of the insurance was placed by Mr. Horner in the Equitable Life Assurance Society through W. J. Keating, its Minneapolis representative.

A controversy has arisen at **Bloomington,** Ill., over the **promises** of **rate reductions** made by the Western Union authorities in return for improvements in the fire protection. The business men claim that a 13 per cent. decrease on all property reached by the new water mains was promised, but this is denied by the inspectors. An application of the Dean schedule, based on the proposed improvements, shows an average reduction in rates of about 9 per cent., varying, however, according to the conditions in each case. Those who because of exposures, etc., secured less than the average reduction are protesting that they were promised a flat reduction, and are threatening to oppose the issuance of the new bonds for the proposed fire protection.

A report of the **examination of the United States Life insurance company** by the New York State Insurance Department as of June 30, 1908, has been made public by Superintendent Kelsey. The admitted assets at that date were found to be $8,531,650.56, and the total liabilities, excluding capital stock, $8,249,970.30, leaving a surplus to policyholders of $281,679.26. It is stated in the report that President Munn made a gift to the company in 1907 of $10,500 to help out surplus. The salary list is small, the highest salary being $6,000, and the first vice president serving without pay. All policies issued by the company on and after 1909 will be on the nonparticipating plan. The capital stock was reduced in December, 1907, and is now $264,000.

Says *Office and Field*, of the Hartford Life, **in regard to competition:**

There's a decent kind of competition that recognizes the fact that business belongs to any agent who can get it, but says "hands off" when the prospect has actually signed on the dotted line. It's a mighty mean dispositioned solicitor who will try to undermine business that has actually been closed by his competitors. Fight good and strong to convince the undecided prospect that your company is the company he wants, and refrain from mud slinging tactics. Generosity in this direction improves public sentiment, and redounds to your personal profit in the end. Twisting a case out of an agent's hands by "slick" talk is tabooed. Don't play pirate. When business is pledged to another, let it alone, and keep your occupation clean and unsmirched. By way of burglary insurance, however, just collect the premium when you get your prospect's signature, as apparently there are some hold-up operators in the field yet.

The United States Circuit Court of Appeals for the Ninth Circuit holds, in the case of the St. Paul Fire and Marine insurance company against the Pacific Cold Storage Company, that insurers of the cargo of a vessel against **loss by a collision** with ice, under a policy containing a sue and labor clause, are liable for the cost of moving the cargo overland when the vessel, having been delayed by low water in ascending the river to its destination until the formation of ice compelled laying it up for the winter, was moved with the consent of the underwriter to avoid the effect of the ice upon its breaking up in the spring, and the goods being perishable could not otherwise have been preserved.

The **fire waste** of the country will be **investigated** by the technological section of the United States Geological Survey, and a letter has been sent out by Chief Engineer Wilson to all waterworks engineers throughout the country asking detailed information as to the cost of water distributing systems, the estimated cost if the necessity for fire service were omitted, the number of fire hydrants, whether a separate high pressure system is maintained, and other details. It is stated that this investigation is in connection with the work of the committee recently appointed by President Roosvelt on the conservation of natural resources.

It is now a year since **W. W. Dudley, secretary** of the governing committee of the **Western Union,** suffered a stroke of paralysis. While he has been removed to his home after many months at the hospital, his left side is still absolutely helpless, and hope of his being able to resume work has been abandoned, although his mind is now as clear as ever. The Western Union treated him with deserved generosity and has practically put him on a pension. It is not thought that any successor will be appointed for the present, and matters will go on as heretofore, with Assistant Secretary E. B. Hatch in general charge of the office.

The **operation of the coinsurance clause** in fire insurance policies where the property is not adequately insured was demonstrated in the recent adjustment of the loss of the Republic Rubber Company, of Denver, Col. The total loss was $2,178.36, and the insurance companies were only liable for $1,062.86, while the firm must bear a loss of $1,115.86 as the penalty for being underinsured. Many cases of insufficient insurance are not discovered by the owners because they are lucky enough not to have a loss. When the loss occurs the small sum needed to pay the additional premium consistent with safety looks small indeed.

Application was made in the court at Kingston, N. Y., on Satday last for an order for Superintendent Kelsey to show cause why a permanent injunction should not be issued restraining him from taking further action in the **"twisting" case** involving an agent of the Northwestern Mutual Life of Milwaukee, who is charged by a New York Life agent with attempting to twist a client of his into the Northwestern Mutual Life. The court took the papers and reserved decision. A motion was also made by the Attorney General on that day for a change of venue to Albany County, on which no action was taken at that time.

The September meeting of the executive committee of the **National Board of Fire Underwriters** was held Thursday, George W. Babb presiding. The following companies were elected to membership on the recommendation of C. E. Porter, chairman of the membership committee: Concordia of Milwaukee, Wis.; Washington Fire of Seattle, Wash.; State

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Insurance Company of Nebraska of Omaha, Neb.; Consolidated Fire and Marine of Albert Lea, Minn.; Walla Walla Fire of Walla Walla, Wash., and the Commercial Fire of Houston, Tex.

An investigation of the special agents licensed by the New York Insurance Department to procure **insurance in non-admitted companies** has been begun by Superintendent Kelsey. Such permission is granted under Section 137 of the insurance law. The scope of the examination will embrace, among other points, the placing of risks in unreliable institutions and the obtaining of policies before the assured has made affidavit that sufficient insurance cannot be secured from the companies regularly authorized to do business in the State.

Fire claimed its own again on Monday of this week when about $500,000 of property was destroyed at **Chelsea, Mass.** The loss will not exceed the above figures, although at one time it looked as if the April experience might be repeated. An incendiary is believed to have been responsible for the blaze. A box factory was destroyed with a probable loss of $220,000, while other losses, all total, included a lumber yard, two shoe factories, a metal works and a bottling plant. The insurance was as a rule well distributed.

Having its **capital** of $100,000 fully paid in, the **People's Life** of Chicago has completed organization. Business of the old People's Life Assurance Society of Chicago, amounting to about $1,000,000, will be taken over by the new company. Both participating and non-participating insurance will be written. The officers are as follows: E. A. Nelson, president; Fremont Hoy, vice president and secretary, and M. L. Nelson, treasurer; R. R. Longenecker, manager of agencies.

Preparatory to issuing a license for it to begin business, the Missouri Insurance Department has completed an **examination** of the **Great American Life** of St. Louis, which shows that with a total income of $1,175,031.89 the total disbursements amounted to only $149,975, including commissions to agents and office expenses. A surplus of $513,383.14 is left after deducting as liabilities the $500,000 capital stock and the balance of contingent commissions and contingent debts.

Great preparations are being made by the **Pittsburgh Life Underwriters' Association** for the inaugural meeting of that body, which will be held on October 10, with President Edwards, of the National Association, in attendance, as well as several prominent past and present officers of the National Association. This meeting marks the beginning of the fall campaign of the national body, as it does the inaugural address of the president, who at this time outlines the year's plans.

The million dollar line of **Fairbanks, Morse & Co.** on their various plants throughout the country has heretofore been placed with the local agents where the business was situated. The concern has now secured a million dollar floater from **London Lloyds** without coinsurance, with a $50,000 limit in any one location. The average rate paid previously was $1.21, but under the new deal the rate is 80 cents.

Complaint is made that the **competition in New York State** has reached such a stage that almost the entire business of forty cities and towns which five years ago furnished considerable general business has passed to non-Board and high commission companies. The Union companies claim that unless something is done to protect them they will retire from this class of business.

Application has been made by one of its New York lodges for the appointment of a **receiver for** the **National Slavonic Society,** a Pennsylvania beneficiary order, the charge being made that the finances of the body have been mismanaged. An accounting is sought, the allegation being made that while there should be $500,000 in the treasury there is really only half of that sum.

The **Pathfinders,** a fraternal with headquarters at Cleveland, has **consolidated with the American Insurance Union** of Columbus. Under the plan all death claims on the absorbed business the first year are to be scaled one-third. G. R. McKay, president of the Pathfinders, is to be vice president of the American Insurance Union.

For some time the home office of the **Union Fire** of Buffalo has acted as general agent for New York, Pennsylvania and New Jersey for the Washington Fire of Seattle. This has now been terminated, as Vice President Yates, of the Washington, is located in Chicago, and will handle the Eastern field direct.

A very representative committee from the Illinois field organizations visited **Moline** to investigate unsatisfactory conditions there, rate cuting having been persistent. It was found that this was largely due to **misuse** of the **relief rule,** and the offending agents have promised to be more careful hereafter.

The **insurance** on the cotton of the **Gulf Compress Company,** which recently went into the hands of a receiver, has been written by the Commonwealth Fire of New York. About $125,000 of insurance is carried at each of thirty plants. The line was formerly carried by the Cotton Insurance Association.

The Texas Insurance Department has been advised that the Pacific Mutual Life of Los Angeles has **invested** $128,000 **in Texas real estate** in Dallas and Johnson County, and that the National Life of the U. S. A. has invested the sum of $108,000. This latter company has not been admitted to the State as yet.

The **Guarantee Life** of Houston, Tex., has been **debarred from Kansas** by Insurance Commissioner Barnes because it did not comply with the demand of the Insurance Department that the sale of its special contract be discontinued. The Georgia license of the company has been reissued.

The certificates of authority permitting the **Commercial Union,** Palatine and Alliance to do business in **California** during 1908 have finally been issued by Insurance Commissioner Wolf. This ends a long contest growing out of the handling of claims of the San Francisco fire.

The Texas Insurance Commissioner, Thomas B. Love, has stated that no **certificate of authority** can be granted to any company between October 1 and December 31 under Texas laws. This provision has been on the books for some time, but has been in abeyance.

A recommendation for an **auditor of insurance** for the **District of Columbia** has been made by Insurance Superintendent Drake in submitting his annual estimate to the District Commissioners. He suggests a salary of $1,500 for the office.

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The House of Delegates at **St. Louis** has passed a bill putting the **fire department** on the **double platoon system,** at an annual increased cost of $300,000. The City Council has not yet passed upon the proposition.

The **Reliance Life of Pittsburgh** will discontinue the publication of its company paper, *Caritas*, and the field force will hereafter be furnished with weekly bulletins to keep them advised on agency matters.

The **Kansas City fire underwriters,** following up their campaign for a reduction in agency representation, have dropped Furgason & Tabb for retaining the fifth agency of the Firemen's of Newark.

Managers of the **Fidelity Mutual Life** throughout the country have taken kindly to the idea of forming a **managers' association,** and an organization of this sort will shortly be effected.

The **Northern Life** of Chicago has adopted the **general agency system** except for those of its branch offices that have made good and been profitable to the company.

The **Illinois pond** of the **Blue Goose** will postpone any meetings until after the big meeting attendant upon the Fire Underwriters' Association of the Northwest October 9.

Plans of **O. L. Van Laningham,** former president of the Great Western Life of Kansas City, for a new million dollar life insurance company at that place are being discussed.

The announcement comes from Charlotte, N. C., that the **Scottish Fire,** which recently removed to that city from Fayetteville, will increase its capital to $200,000.

The **Sovereign Fire** of Toronto will soon make application for admission to Massachusetts. The Boston office of Starkweather & Shepley will handle the company.

The Louisiana National Life and Florida Life will shortly **enter the State of Georgia,** which already is well exploited by life insurance companies.

The **Boston Board of Fire Underwriters** at its recent meeting voted to retain its present quarters at the old stand, 55 Kilby street.

The **agencies** of Head & Co. and J. M. Lanier at Chattanooga have been **combined** as the Head & Lanier Company.

Personal.

AGENCY APPOINTMENTS.

Aachen and Munich and Security of New Haven: John C. Curd, special agent in Virginia and the Carolinas.

Citizens Fire of West Virginia: Eliel & Loeb, general agents for Cook County.

Empire State Surety of New York: Richmond Insurance Agency, Inc., of Richmond, Va., general agents for Virginia, except Alexandria and Fairfax counties, for accident, health and disability lines.

German Union Fire of Baltimore: Whilden & Hancock, general agents for New York State outside of the metropolitan district.

Insurance Company of North America: J. H. Delesdernier, special agent for Brooklyn.

Ex-Insurance Superintendent Christopher P. Ellerbee, of Missouri, died at St. Louis, Mo., September 18, after a short illness apparently, for he was in attendance upon the national insurance commissioners' convention at Detroit three weeks previous. He was a descendant of a well known South Carolina family, and was born in Dallas County, Alabama, March 1, 1845. His education, interrupted by some years' service in the Confederate Army during the Civil War, was at private schools, the University of Alabama and the University of Virginia. He studied law in the last named institution, and on removing to St. Louis was admitted to the Missouri bar. He was attorney for the Missouri State Insurance Department from 1881 to 1889, member of the Missouri Legislature, and chairman of the House Committee on Insurance 1883, and Superintendent of the Insurance Department of the State from March, 1889, to April, 1893. At the expiration of his term as superintendent he interested himself in the organization of the Union Casualty and Surety Company, of which he became president. He resigned this position some years later to resume the practice of the law, and was attorney for a number of insurance companies at the time of his death. Colonel Ellerbee was highly esteemed in his home State and by underwriters throughout the country.

Mr. E. P. Wise, for many years a Western fire insurance fieldman, died in Chicago on September 17, and the funeral was held on Sunday last. He was forty-one years old, and was with the Phenix of Brooklyn in Illinois for eleven years before joining the Agricultural of Watertown in Missouri and Kansas seven years ago. Two brothers of the deceased are Fred T. Wise, Illinois State agent of the Home of New York, and Gus M. Wise, Illinois special agent of the Agricultural.

Mr. James S. Wallace has accepted the position of assistant manager for British Columbia for the Canada Life of Montreal, serving under Manager W. B. Ferrie. Mr. Wallace was connected with the Canada Life in various capacities previous to becoming manager at Winnipeg for the Imperial Life. His new headquarters will be at Vancouver.

Mr. Calvin S. Smith, Chicago manager for the Penn Mutual Life, is to travel abroad in October. With Mrs. Smith he sails to join a shooting party, to be given at Kylemore Castle in Ireland, the new home of the Duke and Duchess of Manchester. After their stay there Mr. and Mrs. Smith will make a short visit in London.

Mr. Frank Lock, United States manager of the Atlas of London, will give the first lecture of the Insurance Library Association's season at the Exchange Club, Boston, on the evening of November 20. His subject will be "Phases of Association in Fire Insurance, Wise and Otherwise."

Mr. Lawson W. Fuller, head bookkeeper of the Metropolitan Life at the home office in New York city, committed suicide by shooting himself in the head at the Hotel St. Denis September 19. He had been with the Metropolitan for about ten years.

Mr. Sidney K. Hooper, a member of the Salt Lake City insurance firm of Caine & Hooper, died September 16 at his home there after a three weeks' illness from typhoid fever. He was thirty-eight years old.

Mr. Louis Harding, an inspector with the Underwriters' Bureau of New England for the past four years, has accepted a position in the special risks department of the Home of New York.

Mr. J. C. Van Blarcum, president of the National Bank of Commerce at St. Louis, who died recently, had a policy for $50,000 in the Equitable, and one for the same amount in the Ætna.

Mr. Philip M. Leakin, formerly claims examiner with the Travelers of Hartford, has accepted a similar position with the Ætna Life insurance company, beginning October 1.

W. H. Crolius, former president of the American of New York, has been appointed superintendent of the sprinkler department of the Cosmopolitan Fire of New York.

Mr. John H. Croft, London secretary of the Royal of Liverpool, will retire and be succeeded by Robert McConnell, who has been assistant secretary at the London office.

Mr. Olin C. Towle, a fire insurance agent of Westfield, Mass., died September 16, after an illness of a few hours from heart trouble, aged sixty-one years.

Casualty and Surety Insurance.

Unusual accidents of the week are as follows: A student at the Worcester Polytechnic Institute had his back broken in a class rush; a ten year old boy dropped dead from heart disease as he caught a difficult fly ball; a retired broker pitched over the low marble balustrade as he descended the stairs in a Brooklyn office building and struck on the marble floor, sustaining concusson of the brain; while whistling a popular tune a man dislocated his jaw; a fox hunter while riding to hounds on Long Island was badly hurt while taking a fence as his horse fell on him; a drunken baboon attacked a stable boy and bit him in the leg; while dressing at the window of his apartment on the fourth floor of a hotel a rich real estate broker lost his balance and fell to his death below; the falling of the lift in a Broadway restaurant caused serious injury to two employees who were lowering garbage cans to the basement; a Long Island farmer who was being gored by a bull saved himself from fatal injury by clinging to the ring in the brute's nose; four women and a man were prob-

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ably fatally hurt by the explosion of illuminating gas in a wall safe in Chicago; while towing a wagon with one hand and driving his horse with the other a New Jersey teamster was nearly torn apart by the stopping of the towing wagon, as he was jerked to the street and badly hurt; while doing "stunts" with a 70 pound dumbbell a Chicago athlete dropped the dumbbell, which broke his nose, fractured his right leg and dislocated the instep of his left foot; as a result of falling from his bicycle a Colorado boy lost his memory; while making a balloon ascension with a lion cub in the basket a youthful aeronaut received injuries sustained by the lion cub falling upon him; two football players were killed in a practice game when they ran in front of an approaching train; a power house employee of the Public Service Corporation was burned to death by falling from a ladder into a net of live wires; after preaching from a telegraph pole an evangelist fell and broke his leg when answering the request of a policeman to come down; while trying to catch a runaway ostrich which was being raced at a county fair at Mineola, L. I., a negro was kicked in the face by the bird and badly hurt; while attempting to board an electric train a National Guardsman was thrown under the wheels and decapitated; while working on a building at Philadelphia four bricklayers were hurt by the falling of a wall; two boys were badly burned by the prank of a companion who threw a lighted match into some powder which the boys had found, causing an explosion; while unloading a freight trolley an employee lost his balance, and grasping the feed wire to save himself, was burned to death; the carelessness of a hospital nurse in leaving water containing atropine about, caused the death of three patients who drank the liquid; in throwing an exploding oil lamp out of the window a woman set fire to her clothes and was burned to death; caught beneath a fall of coal in a mine, two miners were crushed to death; while running to greet his father returning from work, a boy was knocked down by a trolley car and killed; a baker fell down an elevator shaft, fracturing his leg and receiving lacerations of the scalp; while laughing at a clever turn on the vaudeville stage an eighteen year old girl was stricken with paralysis of the heart and fell dead; a glazier's foot slipped on the floor of a leather shop in which he was working and an inch was cut off his nose by the sharp knife on the rollers; while leaning out of a window to get more air an aged man lost his balance, and falling to the pavement, was killed; a hostler wound around his fingers the halter of a horse he was leading, and when the animal reared the man's little finger was pulled from the socket; as a result of paring her corns an Allentown, Pa., woman died from gangrene; caught against a stone wall by a mad bull, which charged across a field, a Philadelphia man was gored to death; a Trenton rubber worker lost his arm and his life when the sleeve of his coat caught in the machinery.

Figures recently given out relative to **accidents in coal mines** show that such accidents resulted in 1907 in the death of 3,125 men and injury to 5,316 more. There was an increase of 1,033 in the number of deaths and of 516 in the number of injuries as compared with the record of 1906. The United States Geological Survey, which compiles most of the mine figures, does not collect the information directly, so it is possible that the losses in some cases were worse than given out. The reports received indicate a death rate per thousand employees of 3.31 in 1906 and 4.86 in 1907, and the number of tons mined for each life lost decreased from 194,950 to 145,471. Of the total number of deaths reported for the last calendar year, 947 deaths and 343 injuries were caused by gas and dust explosions, 201 deaths and 416 injuries by powder explosions and windy shots, 1,122 deaths and 2,141 injuries by falls of roof or coal; 855 deaths and 2,416 injuries were ascribed to other causes. Commenting on this record in his report, E. W. Parker, the coal expert and chief statistician of the Geological Survey, says:

It has been said that there is only one way by which accidents in coal mines can be entirely prevented, and that is by ceasing to mine coal. There is no doubt, however, that the number of accidents may be greatly lessened, and much benefit is anticipated from the action of Congress in appropriating $150,000 to enable the United States Geological Survey to investigate the cause of mine explosions and make recommendations in relation thereto. The writer is of the opinion that one of the great needs of the coal mining industry is the enforcement of military discipline in the operation of the mines. Without such discipline the knowledge acquired through investigation has proved of little avail.

In the **breach of warranty case** of the B. Roth Tool Company against the New Amsterdam Casualty Company, decided by the United States Circuit Court of Appeals for the Eighth Circuit, reported in *Bradstreet's*, it appeared that the plaintiff permitted a person to use its heating furnace for experiments. He filled a metal tube with other metals and explosive substances, sealed the tube and placed the same in the furnace, where it was subjected to a hot fire. It exploded, injuring one of the plaintiff's employees, who recovered a judgment against the plaintiff on the ground that the latter was negligent in carelessly permitting the tube to be filled with materials of a dangerous and explosive nature and placed in a heating furnace. The court holds that a judgment in favor of the employee on such issue was conclusive against the plaintiff's right to recover over against an employers' liability company on a policy containing a warranty that the plaintiff should not permit the use of explosives on the premises, which action the liability company defended on the ground of plaintiff's breach of such warranty.

Charged with conducting an **insurance swindle** as manager of the Home and Fireside Protective League of America, Jules F. Koelling was arrested this week in Chicago and held in $1,000 bonds. The complainant, Harman Stetzeman, claims that the following benefits are agreed to come for a $5 membership in the league and 25 cents weekly dues:

If after one year's membership in the league, a member is married, he is to be paid $500.

For each of the first three children born to such a marriage, provided dues are kept up, the parents are to receive $500.

If twins are born the couple are to get $750.

If triplets are born the parents are to get $1,000.

If quadruplets are born the parents are to get $2,500.

On the death of a member in good standing his heirs are to receive $500.

The plan of stork insurance is particularly interesting, as several attempts have been made to insure against the contingency with considerable underwriting loss. The American Birth insurance company of Boston, which went into a receiver's hands after a short and troubled existence, is an example of this class of insurance.

The Travelers of Hartford, in its current issue of the *Agents' Record,* gives some pointers on the **set screw hazard** in connection with liability contracts. The company paper says.

All employers of labor recognize the danger of accidents from exposed set screws. If such be unguarded at points where workmen may frequently come in contact with them, their existence is almost criminal. On the other hand, their location itself may afford a substantial guard and the danger of persons being caught upon them is practically nil. Still, experience has demonstrated that persons may be caught on exposed screws which seemed, prior to an accident, to be perfectly guarded by reason of their location. There are many dangers quite as obvious as the exposed set screws which may embarrass a person, firm or corporation carrying a liability insurance contract unless that contract be so comprehensive as to afford complete protection; it must be backed by sufficient surplus, and perhaps most important of all is that proper inspection of premises, prompt investigation of accidents and skilful handling of claims must be accorded policyholders. * * Careful inspection means a large degree of prevention, but "accidents will happen," and, accidents having happened, the policyholder

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should not unncessarily be exposed to dangers which he must face unless prompt, careful and skilful investigation of the circumstances surrounding the accident has been undertaken.

Thirty different **branches of casualty insurance** will be written by the Consolidated Casualty of Philadelphia, now organizing in the Quaker City. The company is expected either to absorb or take over the Philadelphia Casualty, of which Robert B. Armstrong is president. By so doing an income of $1,000,000 and an excellent agency organization would be secured at the start. The various casualty lines to be written according to present announcement are as follows: Accident personal, automobile liability, automobile bail bonds, bicycle theft, bicycle accident, bank deposit, burglary insurance, common carriers' liability, contract bonds, credit insurance, druggist liability, dentists' liability, elevator insurance, employers' liability, fidelity bonds, flywheel insurance, general liability, health insurance, judicial bonds, landlords' liability, plate glass insurance, physicians' liability, public liability, registered mail, surety bonds, steam boiler, safe, sprinkler leakage, team insurance, workmen's wages.

On Tuesday, October 20, the fifth annual meeting of the **Board of Casualty and Surety Underwriters** will be held at the Hotel Astor, New York city, beginning at 10 o'clock. The business session this year is not expected to take over one day. Heretofore two afternoons have been devoted to this work. Papers will be read by members, to be followed by discussions of the subject matter treated. The reports of the executive committee and of the committee appointed to attend the annual convention of insurance commissioners are looked forward to with interest, as are the addresses promised from several prominent casualty underwriters whose names have yet to be announced. The banquet will be held on Tuesday evening at the Hotel Astor, beginning at 7 o'clock. The committee of arrangements is composed of David W. Armstrong, Jr., chairman; William T. Woods and Edson S. Lott.

In the case of Alexander against the **Fidelity and Deposit** of Baltimore, decided by the Maryland Court of Appeals, and reported in *Bradstreet's*, it appeared that the company was surety upon the bond of the executor of one Pearce. The executor having devastated the estate, the company was compelled to settle with the devisees and **claimed subrogation** to whatever assets of the estate remained, among which was a mortgage that had been assigned by the executor to Alexander without the authority of the court. The Court of Appeals holds that the company was entitled to be subrogated and entitled to the amount of the mortgage; that Alexander took no title by the assignment, and that the executor had no power without the authority of a court of competent jurisdiction to convey to third persons the assets in his hands.

As bondsman for Homer H. Otis, formerly a collector in the employ of the Central Union Telephone Company at Toledo, Ohio, who is charged with the **embezzlement** of $732, the **American Surety** of New York has paid the telephone company the amount of its bond, $500. After promptly paying the claim the surety company, through Inspector Sharman, caused the arrest of Otis. The discrepancy was discovered by Thomas R. Keys, traveling auditor of the telephone company, who went from Indianapolis to audit the books at Toledo. It is charged that Otis falsified his accounts and gave out fictitious receipts, destroying the receipts authorized.

The **German Commercial Accident** of Philadelphia has arranged a contest which began Monday, September 21, and will end September 30. Prizes will be given to that agent producing the largest amount of new business in the nine days, the first prize being $25, the second $10 and the third $5. Secretary Meininger offers these prizes personally to the agency force. Premiums to count must be collected and remitted by October 31. The company has issued a modification of its coupon travel policy, to be known as the "limited accumulative accident and health policy." As its name implies, the contract carries a 50 per cent. accumulation, an increase being made of $200 yearly for five years. An emergency and relief benefit of $100,000 is likewise provided, and the sickness benefits include appendicitis.

Contractors at St. Louis are talking of starting a **mutual bonding company** to **furnish** their **contract bonds,** claiming that the new rates established by the companies were not contemplated by them when they made their estimates, and in many cases tend to eliminate all possible profits. For instance, the Hill-O'Meara Construction Company has taken a $900,000 contract on the new insane asylum with a $300,000 bond. Before September 1 this could have been placed for $4,500, but now a lower rate than $9,000 cannot be secured.

To facilitate reinsurance on Federal bonds and to encourage good feeling among surety men in that city, the **Cleveland Board of Surety Underwriters** has been organized. The officers and executive committee elected are as follows: President, E. Shriver Reese; vice presidents, Thomas Huggins, Stanley Brown, Joseph Cook; secretary, Charles Lawrenson; treasurer, E. W. Briggs; executive committee, Stanley Brown, H. W. Bell, E. J. Fishman and B. A. Miller, with the president ex-officio.

As a result of the meeting of casualty company representatives on Friday afternoon last, it was decided to extend the scope of the **premium collection agreement** already entered into by including all casualty and fidelity premiums in the agreement. The representatives of about nineteen companies signed. A committee was appointed to draft a supplemental agreement to apply to bonding and surety companies. The meeting was held at the office of the United States Casualty.

The **Kentucky Association of Surety Underwriters** has been organized with the following officers, elected at a meeting in Louisville, September 15: President, J. Morton Morris, of the National Surety; vice president, Thomas S. Dugan, United States Fidelity and Guaranty; secretary, Charlton B. Rogers, Illinois Surety. Executive committee, Samuel K. Bland, Title Guarantee and Surety; Tracy Underhill, American Bonding, and Thomas S. Dugan.

In pursuance of its policy of **establishing branch offices** in a number of the large centres, the **Casualty Company of America** announces the opening of a branch office for the State of Indiana at 215-218 Lemcke Building, Indianapolis. R. A. Foster and John E. Messick, associated as Foster & Messick, are managers. Foster & Messick retain the management of the United States Fidelity and Guaranty of Baltimore.

A revised edition of its **general health policy** has been placed on the market by the accident department of the **Travelers** of Hartford. The disability limit is given as fifty-

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two weeks and the limitation as to disability of less than seven days has been removed.

The **Bankers Surety** of Cleveland has been examined by the Ohio Insurance Department as of June 30, showing admitted assets of $740,234 and a net surplus of $22,130.

Insurance Legislation.

Complete copies of all important bills in the legislatures affecting insurance are on file in the office of THE WEEKLY UNDERWRITER.

Indiana.

(*Special to* THE WEEKLY UNDERWRITER.)

INDIANAPOLIS, Ind., September 25.—It looks now as if no insurance legislation would be introduced at the present special session of the General Assembly. The session is now devoting its time to old rather than new business and no bills for insurance legislation have as yet appeared. It is unlikely that any will appear at this late date.

When Governor Hanly first thought of calling the special session he had in mind seeking to bring about the enactment of a law similar to the one provided for by the Babcock bill of two years ago, which stirred up such a rumpus. This bill, it will be remembered, created a separate department of insurance and divorced the insurance business of the State from the State Auditor's office, where it had always been and where it is now, in view of the fact that the bill was defeated.

But the leaders of the Republican party turned a deaf ear to the Governor, recalling how the insurance men of all Indiana—that is, the men of domestic companies—swooped down on the Legislature two years ago and stayed until the Babcock bill and other measures just as odious to them were killed off.

Accordingly Governor Hanly was entreated not to force any insurance at the special session and the Governor consented. But the reason for this was that the Governor had other things which he desired more than he did insurance, and he knew that if he crossed the leaders in the matter of insurance they would not stick with him in bringing about other reforms more dear just now to his heart—notably, temperance. He was set on enacting a county local option law and that meant a fight in itself which would make the insurance fight of two years ago pale into insignificance. Hence, the Governor did not push his insurance views on the party.

Word was passed along the line that there would be nothing doing in an insurance way, so insurance men have been quietly going about their business and not giving the special session a thought.

It had been thought that some of the insurance men, still hostile because of the fight two years ago, would seek to defeat the Governor's legislative program at the special session just to get even, but they have sought nothing of the kind. If any insurance man is doing anything for or against county local option it is not known by those in close and constant touch with the situation.

Many bills have been introduced both in the House and the Senate, but there has not been an insurance bill in the bunch and new bills are now becoming rare. For that reason it is thought that no insurance legislation of any kind will be thought of. All the legislators are desirous above everything else of disposing of the option fight and returning home.

Nebraska.

LINCOLN, September 24.—It has been unofficially announced by Governor Sheldon, of Nebraska, that he will ask the next Legislature to provide for the creation of an insurance commission, which will take up a revision of the insurance code. The voters at the recent primaries signified their choice of an entirely new set of officials for the auditing and insurance departments.

Wisconsin.

MADISON, September 23.—The opposition on the part of some legislative candidates in both parties to the adoption of resolutions in either the Democratic or the Republican conventions endorsing the insurance legislation shows very clearly that one of the issues before the next Legislature will be the insurance legislation passed at the last legislative session, and that a hard fight is to be made by the insurance companies to secure the repeal of that legislation.

Miscellany.

CONTROL OF WASHINGTON LIFE PASSES INTO NEW HANDS.

Pittsburgh Syndicate Affiliated With Pittsburgh Life and Trust Buys Stock and Elects New Officers.

The majority holdings of Levi P. Morton, Thomas F. Ryan, Harry Payne Whitney and others in the Washington Life of New York were sold on Thursday to a Pittsburgh syndicate headed by William C. Baldwin, president of the Pittsburgh Life and Trust. There was a wholesale resignation of the old directors after the deal had been put through, the only old directors remaining being James A. Parker, Samuel P. Colt, R. C. Leffingwell, Paul F. Fuller and Samuel B. Clarke. The directors elected to represent the new interests are as follows:

W. C. McCausland, V. Q. Hickman, W. C. Baldwin, James Carothers, John H. Murdoch, W. H. Nimick, James H. Mahan, Abner U. Howard, Frank Ewing, F. C. Parsons, F. E. Montgomery, Charles H. Pascoe, W. C. Metcalfe, Morton A. Howard, H. B. Heylman, Clarence E. Mundy and Eugene H. Brock.

New officers were elected by the new directors. Mr. Baldwin was chosen president. Mr. Howard Nimick, vice president of the Pittsburgh company, assumed a like place in the Washington Life; James M. Mahon, secretary of the Pittsburgh company, become second vice president of the Washington Life, and Frederick C. Parsons, comptroller of the Pittsburgh company, was made secretary of the New York corporation. The companies will be kept separate, except for the arrangement that both will use the same agencies. The Pittsburgh company is run on the participating or mutual plan, while the Washington Life is run on the non-participating or stock company plan. The agent thus will be able to offer both styles of insurance.

It was unofficially reported that more than 9,000 out of the 10,000 shares of capital stock of the Washington Life changed hands, and that those who sold received about what they had invested. The company is capitalized at $500,000. Former Governor Morton was one of the charter members of the Washington Life, and the stock certificate which he transferred Thursday was dated in 1860.

The officers who severed their connection with the Washington Life Thursday were:

John Tatlock, president; Charles H. Allen, first vice president; T. T. Johnston, second vice president; J. W. B. Vandewater, secretary. All the directors resigned except Paul Fuller, Samuel P. Colt, R. C. Leffingwell and James A. Parker. Samuel B. Clarke sold his stock early in the week and ceased to be a director. The other directors who resigned were: Richard Billings, George M. Hard, Henry S. Herrman, Charles H. Allen, Dumont Clarke, William A. Street, Harry Payne Whitney, William Corcoran Eustis, Walter S. Johnston, Levi P. Morton, Winthrop Rutherford, Valentine P. Snyder, John Tatlock.

After the directors' meeting Thursday President Baldwin said:

We have no intention of changing the policy of the company, and intend to continue it on conservative lines. The offices will

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remain distinct, but by our control we will be enabled to consolidate the force of agents. The Washington Life is a non-participating company and will remain so, while the Pittsburgh Life and Trust Company is a participating company. Thus an agent will be able to satisfy a prospective policyholder, whether the latter prefers a participating or non-participating policy.

President Baldwin said that at present the Washington Life had $54,000,000 in outstanding insurance. At the beginning of the year the company carried $57,000,000. The Pittsburgh company, which is capitalized at $600,000, has $27,000,000 in outstanding insurance.

The United States Fidelity and Guaranty of Baltimore—Report of a Special Survey by Examiner Wolfe.

In a bulletin issued by the Insurance Commissioner of Colorado, September 17, the following statement concerning the United States Fidelity and Guaranty of Baltimore is made:

This company has been given until October 5 to show cause why its authority to do business in Colorado should not be suspended or revoked for failure to report all of its liabilities in its annual statement of December 31, 1907, and for violating the agents' license law.

This company failed to heed the criticisms of the report of an examination made by Maryland, Minnesota and Virginia in September, 1907, and it also disregarded bulletins and notices of the Colorado Insurance Department urging companies to obey the agents' license law of the State, and to avoid omitting liabilities from annual statements or using other "year end transactions" to swell the surplus. In a circular to all companies, issued December 16, 1907, the Commissioner of Colorado, among other things, said:

If there are any companies reporting to this department which contemplate using such methods in the reports for 1907, they may accept this as a warning that, when the offense is discovered and the facts fully established, it will be reported to the public and the full penalty of the law imposed.

The following is an extract from the notice sent the president of the United States Fidelity and Guaranty Company by the Commissioner of Colorado, under date of September 12, 1908:

To summarize, it appears that your surplus, as sworn to in your report to this and other departments, as of December 31, 1906, was found by the examination made by the States of Maryland, Minnesota and Virginia in September, 1907, to have been overstated to an amount exceeding $320,000.

That, instead of making your next annual statement to the departments (December 31, 1907) in accordance with the finding and rulings of these three examining States, and in obedience to the laws of this State—notwithstanding the warnings sent out by this department in circulars and bulletins—you continued the prescribed practices by omitting from your liabilities unpaid bills amounting to more than $30,000; by omitting, knowingly, over $11,000 of loss liability, as indicated by the changed dates on orders at the close of the year; by reporting unsettled claims as settled, and by generally underestimating loss reserves. The total understatement and underestimate of liabilities, as far as ascertained, amount to over $380,000, indicating that your company was impaired on January 1, 1908.

It also appears from your own records that you had thirty-four unlicensed agents in this State when this survey was made, some of whom had been soliciting for several years, and that in violating the agents' license law you ignored a long list of warnings and notices from this department, as described above.

In view of your continued and persistent disregard and violation of the laws of Colorado, you are hereby notified that the United States Fidelity and Guaranty Company has until October 5, 1908, to show cause why its authority to do business in this State should not be suspended or revoked.

The report has also been made public of a "special survey" of this company, made by S. H. Wolfe for the Colorado Insurance Department, in July, 1908. The object of the inquiry was to determine whether the company had carried out the suggestions contained in the report of the examination of its affairs made last September for the insurance departments of Maryland, Minnesota and Virginia, or whether the increase in surplus shown by its annual statement filed with the department, as of December 31, 1907, was due to the company's failure to carry sufficient liabilities for its needs. Mr. Wolfe says:

At the present time the question of the proper loss reserve to be maintained by surety companies is a most vital one. Considerable attention was paid to this phase at the time of the previous examination, and as a result the liability for this item was considerably increased.

By reference to the annual statement showing the condition of the company at the close of 1907, it will be seen that it provided for a liability of $479,940.32 to take care of its outstanding fidelity and surety losses. I was instructed by you to ascertain whether this figure was sufficient for that purpose, and the records of the company were examined with this idea particularly in view. As a result I am compelled to report to you that this figure was totally inadequate to provide for the proper payment of the losses of the company, and the method by which I arrived at this conclusion is shown in the following pages:

After an elaborate analysis of the company's accounts covering eighteen printed pages, Mr. Wolfe's conclusions are as follows:

It must be apparent to you, from the above, that the liabilities of the company were greatly underestimated on December 31, 1907, and that if the liabilities had been stated on the basis outlined above not only would there have been no surplus but the capital would have been impaired. Since that time considerable salvage has been realized upon, but it was stated to us that the Maryland Insurance Department, which made an examination of the company as of June 30, 1908, would charge a reserve of $750,000 for unpaid losses. It will be seen that this estimate approaches the figure which has been arrived at in detail in the foregoing tabulation. It would appear therefore that a statement prepared as the foregoing was, but showing the condition of the company as of June 30, 1908, would display but little evidence of improvement.

The Devastating Forest Fires—Successful Government Methods of Prevention.

(*The Milwaukee Wisconsin.*)

It is curious that the very year which has been signalized by the congress of governors at Washington to organize for the conservation of the natural resources of the United States should be marked by the most destructive forest fires since 1871. It was 1871 that witnessed the sweeping and memorable conflagrations in northern Wisconsin and the northern peninsula of Michigan which nearly swept out of existence the cities of Marinette and Peshtigo and several neighboring towns. Contemporaneously with this fiery horror in the north occurred the great conflagration at Chicago.

During the present summer very destructive fires have been reported from the Eastern States, but nothing has occurred to compare with the devastation now being inflicted upon all the region along the south shore of Lake Superior, from Minnesota to Michigan. The region is ablaze in many places. Hundreds of farms have been fire-swept, the towns of Chisholm and Snowball in Minnesota destroyed, and more than a score of villages, towns and cities are in momentary jeopardy. In northeastern Minnesota, which has so far suffered most, a thousand people are said to be inclosed in an area surrounded on all sides by advancing fires, leaving them no refuge but the lake. The situation vividly recalls that on the shores of Green Bay in 1871, when many people fleeing from the flames plunged into the streams and into Lake Michigan, remaining in the water for hours while their homes and all the country about them were consumed. In that year, as in this, there had been a protracted drought, and even the swamps were too dry to interpose an obstacle to the advance of the flames.

This year a dry summer has followed a wet spring. In the vicinity of Milwaukee the country roads are covered to a considerable depth with a dust-like fine white powder. Everywhere the grass is tinderlike, and fires starting from any cause are sure to spread far. The damage by forest fires in 1908 represents a great deal more in dollars and cents than in 1871, because lumber is so much dearer now than then. In 1871 practically the only merchantable timber was pine. The era of hardwoods had not arrived. Now the forest fires inflict heavy pecuniary damage when they sweep off acres of maple and oak, as well as when they burn up pine.

(*Bradstreet's.*)

In referring last week to the recurrence of destructive forest fires in the Northwest we suggested that perhaps the National Conservation Commission could find no subject of more pressing importance to enlist its interest than that of suggesting means for preventing or checking the spread of such fires. Some of the official material that has come from Washington during the week indicates that the subject is engaging the active attention of the commission as well as of the National and State forestry officials. The opinion is indeed entertained by the officials that the year will go down in history as one of the worst in the last quarter century. Scarcely any part of the country has escaped, and it may be doubted whether the year's actual loss will ever be accurately known, but it is thought that the country will be startled

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when a compilation of statistics at the end of the season makes it possible to give even the most conservative figures.

Regrettable as the destruction of forest wealth by fires has been, the occurrence of so many of these at a time when the general subject of conserving the national resources has been so prominent a subject of discussion has served to focus general attention upon the seriousness of the problem involved and the importance of checking fires by some rational system of protection. Practical foresters say that an intense interest in the matter has been awakened among thinking people who have learned that the timber supply is dwindling. Under the circumstances it is natural that the experience of the National Government, which has extensive forest reserves under its own control and trained forestry experts in its employ, should be looked to as furnishing valuable suggestion. The Government has had, in truth, a lot of work in the direction of fire-fighting in the national forests, but though the fires have been in some cases serious, careful patrol and the organization of a force to battle with the flames as soon as discovered have held the losses down to an insignificant amount when the widespread destruction which might have come about without protection is considered.

It is estimated by the officers of the Forest Service, for example, that the total cost of the fires in the national forests for the season, exclusive of the salaries of forest officers, will not be more than $30,000. This sum is certainly small when it is recollected that it means fire protection for approximately 168,000,000 acres of national forests. The cost is thus less than two-tenths of a mill per acre. It is encouraging to learn that progressive State fire wardens and forest officers, individuals and private corporations having large timber holdings have organized fire-fighting forces along much the same lines as the Government in many cases, and in this way have given protection to millions of acres of timber which might have been destroyed if left unprotected. It may be taken for granted that with the material which it will have at hand in relation to the source of waste here considered, and the experience of foresters in dealing with it, the Conservation Commission will be able to present some recommendations regarding fire prevention which will be of value, and, considering the present attitude of the public mind, will have a wider and a more attentive reception than has ever been possible before.

Alabama Insurance Commissioner Seeks Reduction in Insurance Taxation in that State.

The subject of the excessive taxation of insurance companies is treated of in a letter recently sent to the mayor of each city in Alabama by Insurance Commissioner Julian. He asks their co-operation in having the taxes placed on a reasonable basis. According to the Commissioner's figures, the average rate on premium receipts in the State for taxes and licenses is 9.3 per cent., while the average fire loss ratio to premiums is 61.2 per cent. In speaking of the matter, he continues:

"The subject should properly be regarded as one of great importance not only to incorporated cities and towns of the State, but to the State at large, in view of a general desire that as many insurance companies operate in Alabama as can be induced to come into this territory. We beg, therefore, that you will not regard this action upon our part as presuming upon your official jurisdiction, but as an indication on the part of this department to offer its services in the solving of what appears a proposition involving the continuing of some, and perhaps many, insurance companies in business in this State, or at least in some of our cities and towns in which the rates of taxation are highest.

"It is firmly believed that an equitable adjustment should be brought about. Several times the matter has been brought before the legislature, but each time met defeat. It is possible that the bills heretofore introduced on this subject met with little support, because conditions were not properly understood. We have been advised that a number of companies have already discontinued business in some of the cities and towns, and unless some relief can be had in this direction others contemplate doing so.

We believe you will agree that it is best for the common good of all that a greater number of insurance companies be induced to do business in our State. The subject of taxation of insurance companies should be treated from a standpoint of equity in order to get best results from efforts to induce new companies to come in, and to prevent some that are here discontinuing on account of what appears to be in some instances, as has been above referred to, prohibitive taxes."

Fire Underwriters' Association of the Northwest—Program of Annual Meeting at Chicago in October.

The thirty-ninth annual meeting of the Fire Underwriters' Association of the Northwest will be held at the Auditorium Hotel in Chicago, October 7 and 8. Following is the program for the meeting:

FIRST DAY.

OPENING SESSION, 9:30 A. M.

Reports of officers, reports of standing committees, election of new members, president's address.

Annual address, E. G. Richards, New York city, United States manager North British and Mercantile insurance company.

AFTERNOON SESSION, 2:30 P. M.

"Harmony—A Message to Field Men," Lewis F. Daniel, Minneapolis, Minn., special agent Queen insurance company of New York.

"Community of Interest Between Company and Local Agent," E. W. Beardsley, Hartford, Conn., local underwriter and president of the National Association of Local Fire Insurance Agents.

"Educational Responsibility in Underwriting," O. E. Lane, Denver, Col., State agent Scottish Union and National insurance company.

"Schedule Rating and Field Conditions," C. H. Patton, Cleveland, Ohio, publisher of Fire Insurance Estimates and Surveys.

SECOND DAY.

MORNING SESSION, 9:30 A. M.

"Individualism in Fire Insurance," Raynolds Barnum, Kansas City, Mo., State agent Agricultural insurance company.

"The Panama Canal," Hon. James A. Tawney, Winona, Minn., chairman Committee on Appropriations, National House of Representatives.

"The New Gospel of Publicity," W. M. Johnson, Erie, Pa., assistant general agent Insurance Company of North America and Philadelphia Underwriters.

AFTERNOON SESSION, 2:30 P. M.

"The Relation of Insurance Companies to Architects," Dwight H. Perkins, Chicago, Ill., president Illinois Chapter, American Institute of Architects.

"Evolution," George H. Batchelder, Chicago, Ill., assistant manager Delaware Reliance and Rochester German insurance companies.

Reports of special committees, general discussion, election of officers for the ensuing year.

Life Insurance Legislation in the Political Platforms in Wisconsin.

The Republican and the Democratic State conventions were held at Madison on Tuesday last, and the insurance legislation enacted at the last session received special consideration in the platforms adopted.

The Republican platform says:

Among the important laws enacted under recent Republican administrations we point with pride to those providing for a primary; creating a State tax commission; providing for the ad valorem taxation of railroads and other public service corporations; creating a State railroad rate commission; the anti-lobby law; the law prohibiting political contributions by corporations; the public utility law; the railway co-employee law; the 2 cent passenger rate law; the civil service law; the inheritance tax law; the law creating the forestry commission; the law to promote emigration; the law conserving the water power of the State, and the insurance legislation enacted for the protection of the policyholders of Wisconsin. We stand pledged to the faithful administration of all these laws and to the enactment of such amendments thereto as experience may show to be necessary to render them more efficient.

The Democratic platform says:

We heartily endorse the action of the Democratic members of the last Legislature in voting for and making possible the passage of insurance laws; the passenger rate law and other progressive legislation. We favor the keeping of the mutual life insurance companies close to the policyholder and believe that such companies should be maintained mutual in fact as well as name, and operated and conducted in favor of the policyholder.

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STATEMENT OF PRESIDENT BLAND.

Report of the Examination of the United States Fidelity and Guaranty by Maryland Insurance Department.

President John R. Bland, of the United States Fidelity and Guaranty of Baltimore, has given out the following statement relative to the report of Actuary Wolfe for the Colorado Department, which is printed in another column:

"Commissioner Rittenhouse, of Colorado, notified us September 17 that by reason of our alleged violation of the laws of Colorado, in the matter of disputed sub-agent license fees, and because of an alleged inadequate claim reserve, he would give us until October 5, 1908, to show cause why our authority to do business in Colorado should not be suspended or revoked. His letter contains some erroneous conclusions based upon a grossly unfair, misleading and inaccurate report made to him by Actuary S. H. Wolfe, on August 7, 1908, but of which no copy was delivered to us until yesterday. The Commissioner has appointed Wednesday, September 30, to hear our defense, after, and not before, which time he will doubtless reach a decision.

"From a desire to treat the Commissioner with the courtesy due to his position, we cannot consent to try our case in the public press prior to the date he has set for the hearing, but as you will publish Mr. Wolfe's report we will merely state at this time that Mr. Wolfe has either overlooked or ignored cash assets of at least $200,000, which have been allowed by all other commissioners by whom we have been examined, and that he has grossly overstated our reserve requirements.

"We will submit to the Colorado Commissioner a complete and satisfactory answer to every statement contained in the Wolfe report. After the hearing before Commissioner Rittenhouse has taken place, we will gladly accept the opportunity you offer us to answer Mr. Wolfe. It is extraordinary that Mr. Wolfe's report should have been given to the press in advance of the time set for the hearing.

"A thorough examination of our company was made by Hon. B. F. Crouse, the Maryland Insurance Commissioner and president of the National Insurance Commissioners' Association, at the same time we were under examination by Mr. Wolfe. The Maryland Commissioner's examination, however, extended during a period of about six weeks, while that of Mr. Wolfe was completed in a few days. The report of the Maryland Commissioner not only shows that our company is in a strong financial condition, but that it also has a very satisfactory surplus, after allowing for all legal reserves. In justice to our company we request that, if it is your intention to publish Mr. Wolfe's report, that you also publish the report of the Maryland Commissioner, which will be found below:

REPORT OF MARYLAND DEPARTMENT.

Hon. Benj. F. Crouse:

I herewith submit report of examination of the United States Fidelity and Guaranty Company of Maryland in accordance with your instructions. The United States Fidelity and Guaranty Company was incorporated by an act of the General Assembly of Maryland passed at its January session of 1896, approved March 19, 1896, to transact a fidelity and surety and banking and trust business with a capital stock of 2,500 shares of the par value of $100 each, making $250,000, with the privilege of increasing the same to $1,000,000. Section 2 of the act provides that should the capital stock be at any time increased the stockholders should be entitled to a pro rata share of the increase upon the payment of the par value of the same.

STATEMENT AS OF JUNE 30, 1908.

Book value of real estate	$516,509 37	
Mortgage loans on real estate	11,750 00	
Loans secured by pledge of bonds, stocks or other collateral	106,285 00	
Book value of bonds, excluding interest, $2,266,708.30, and stocks, $246,343.15	2,513,051 45	
Cash in company's office	22,115 15	
Deposited in trust companies and banks on interest	232,639 50	
Deposited in trust companies and banks not on interest	274,808 44	
Due by United States Government under construction contracts	98,479 76	
Due for subscription department, guaranteed attorneys	35,156 23	
Total ledger assets		$3,810,794 90
Interest due and accrued on mortgages	380 36	
Interest due and accrued on bonds	30,919 73	
Interest due on collateral loans	1,364 31	
Rents due and accrued on company's property or lease	1,011 10	
Total interest and rents due and accrued		33,615 50
Premiums in course of collection		546,278 99
Gross assets		$4,390,689 39
DEDUCT ASSETS NOT ADMITTED.		
Gross premiums in course of collection written prior to April 1, 1908	$44,362 20	
Depreciation in assets (bonds and stocks)	186,235 87	
Due for subscriptions department guaranteed attorneys prior to April 1, 1908	3,889 25	
		$234,487 32
Total admitted assets		$4,156,202 07
LIABILITIES.		
Total unpaid claims and expenses of settlement	$778,254 41	
Total unearned premiums	1,416,773 09	
Commissions due	105,402 53	
Salaries, rents, expenses, taxes, bills, accounts, fees, etc., due or accrued	14,386 21	
Return premiums	5,034 01	
Reinsurance	2,713 26	
Due Munich Reinsurance Company	7,900 15	
Total amount of all liabilities except capital		$2,330,483 66
Capital actually paid up in cash	$1,700,000 00	
Surplus over all liabilities	125,718 41	
		1,825,718 41
Total liabilities		$4,156,202 07

REAL ESTATE.

The real estate, consisting of the home office building, situated on the corner of Calvert, German and Mercer streets, Baltimore, $400,000; 390 acres of land with improvements at Mineral, Louisa County, Va., $62,500; improved land in Milwaukee, $813.76; ground rent in Baltimore, $1,000; unimproved property in Buffalo, $15,000; an equity in two pieces of land situated at Lockport, N. Y., $32,395.61, and an unimproved property in Wakefield, Mass., $4,800; the aforegoing prices were allowed as a fair valuation of the company's property.

MORTGAGES.

The company holds two mortgages, the first one for $7,250, secured by land and improvements, valued at $17,500, situated in Prince George's County, Md.; the second mortgage for $4,500, secured by 17½ acres of unimproved land, valued at $8,000, situated in Baltimore County, Md.

LOANS SECURED BY COLLATERAL.

The collateral was verified by count and valued by Baker, Watts & Co., bankers and brokers, and found to be sufficient to cover the loans.

BONDS AND STOCKS.

The bonds and stocks were verified by actual count except those deposited with various insurance departments, and re-

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ceipts were shown for them; the securities were valued by Baker, Watts & Co., showing market values June 30, 1908.

DEPARTMENT GUARANTEED ATTORNEYS.

This item consists of the bonds of the company guaranteeing the fidelity of the guaranteed attorneys, entered in a book containing the names of the attorneys and a coupon entitling merchants who purchase the book to obtain a bond free of costs in actions connected with the collection of their accounts.

The company charges $5 of the subscription to premiums on its bonds. This business has been very profitable, and the losses have been nominal, having averaged not more than $1,000 in any one year.

LAWYERS' SURETY COMPANY.

Included in the assets of the company is the item of $150,000 represented by 1,000 shares (the entire issue) of the capital stock of the Lawyers' Surety Company, of New York, purchased at its par value by the United States Fidelity and Guaranty Company July 31, 1902. The Lawyers' Surety Company is now in process of liquidation, its outstanding bonds, amounting to $120,000, having been reinsured in the United States Fidelity and Guaranty Company, and the officers of the latter company are doing the necessary clerical work incident to the liquidation. As soon as the legal requirements of the case are satisfied, the United States Fidelity and Guaranty Company will be put in possession of $150,000 of corporate stock of the city of New York now held in trust by the Superintendent of Insurance of the State of New York, with whom it was deposited, part in 1892 and part in 1897, for the security of the policyholders of the Lawyers' Surety Company.

SALVAGE.

The company on July 30, 1908, sold to one of the officers of the company $321,198.46 of salvage assets. This officer borrowed $200,000 from four banks and ten directors (in their individual capacity) by a separate instrument agreed to protect the banks against loss. The company is not responsible in any way for this transaction.

The officers and employes rendered every assistance cheerfully and promptly during the progress of the examination.

IRA E. CROUSE, Examiner.

This is to certify that I participated in the above stated examination of the United States Fidelity and Guaranty Company and that I adopt the above report as my own.

BENJ. F. CROUSE,
Insurance Commissioner of Maryland.

FIRE INSURANCE AGENTS
CAN GET
LIBERAL COMMISSIONS
ON CASUALTY LINES
PHILADELPHIA CASUALTY CO. PHILADELPHIA PA.

OUR Course of Insurance Education Department for Furnishing Prospects, New "Model Policy," Will Plough the Field and Assure the Harvest for Good Agents.
Phœnix Mutual Life Ins. Co.
Write Home Office. HARTFORD, CONN.

1825. THE 1908.
Pennsylvania Fire Insurance Co.
OF PHILADELPHIA.

Cash Capital	$750,000.00
Reinsurance and all Liabilities	4,096,838 14
Surplus	1,615,283.97
Total January 1, 1908	$6,462,117.11

R. DALE BENSON, Pres. W. GARDNER CROWELL, Sec.
JOHN L. THOMSON, Vice-Pres. HAMPTON L. WARNER, Asst. Sec.
WM. J. DAWSON, Sec. Agency Dept.

Insurance Co. of North America,
232 WALNUT STREET, PHILADELPHIA.
FOUNDED 1792.

Assets, January 1, 1907		$10,748,864
LIABILITIES—Reserved for Reinsurance and all other claims	$6,705,870	
Capital Stock	3,000,000	
Surplus over all Liabilities	1,042,994	$10,748,864

Agents in all the principal towns and cities.
CHARLES PLATT, President.
EUGENE L. ELLISON, Vice-President. BENJAMIN RUSH, Second Vice-President.
GREVILLE E. FRYER, Secretary and Treasurer. T. HOUARD WRIGHT, Assistant Secretary.
HENRY W. FARNUM, Marine Secretary. JOHN O. PLATT, Assistant Secretary.
Offices in New York: Fire, 51 William St.; Marine, 63 Wall St.

SAMUEL GANS, President. LEOPOLD GANS, Vice-Pres. & Gen'l Mgr.
SAMUEL GANS CO.
186-188 WOOSTER ST., N. Y.
New York Chicago Atlanta
Renovators of Fire and Marine Salvages
Telephone: 580 Spring
Stocks handled at lowest percentage consistent with proper results, accompanied always with Cash Guarantee. Our methods fortify adjusters in advance of closing loss.
Always telegraph or telephone at our expense.
Expert advice cheerfully given.
EDWIN W. WILE, Resident Manager
Home Office: Chicago, 207-209 E. Madison St.

Provident Life and Trust Co.
OF PHILADELPHIA.
The new policies of the Provident are unsurpassed for conciseness and simplicity of form and for adaptability and liberality in all essentials.
The premium rates of the Provident are exceedingly low and are still further reduced by arge annual dividends.

CALEDONIAN INSURANCE CO.
OF SCOTLAND
Fo nded 1805. The Oldest Scottish Insurance Office.
UNITED STATES HEAD OFFICE
Caledonian Building, 50-52 Pine Street, New York City
STATEMENT JANUARY 1, 1908

Assets,	$1,840,940.53
Liabilities,	1,373,553.08
Net Surplus over all Liabilities,	$467,387.45

CHAS. H. POST, United States Manager. R. C. CHRISTOPHER, Asst. United States Manager.

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Mutual Life Policies

ARE EASIEST TO SELL

BECAUSE

Yearly dividends have been increased for the last three years, 1906-7-8, at a rate equaled by no other company.
Cash values guaranteed in the new life and endowment policies are equaled by few companies.
Attractive features have been added to standard policy forms.
Liberal terms offered producing agents under the 1908 contracts.

For information, address

GEORGE T. DEXTER
Second Vice-President
The Mutual Life Ins. Co. of New York
34 Nassau Street, New York, N. Y.

QUEEN

Ins. Co. of America

NEW YORK.

NOTICE

Insurance Losses and Claims for Damages amicably and satisfactorily Adjusted. Otherwise resisted, defended at Law or in Equity for Companies by

T. F. HANLON

ADJUSTER AND ATTORNEY

BALTIMORE, MD. CALVERT BLDG. — WASHINGTON, D. C. COLORADO BLDG.
(Address Washington. 'Phone: Main 7132).
Twenty-five years' experience Member Bar U. S. Supreme Court.
GO ANYWHERE. OPERATE ANYWHERE.

The Connecticut Mutual Life Insurance Company

Stands alone among the American companies of any note, in having repaid to its members, their beneficiaries and estates, in annuities, endowments, death claims, surrender values and dividends, more than it has received from them in premiums. These are the totals:

Received since organization—1846	$249,356,745.45
Repaid as above noted	253,641,382.54
Excess over amount received	4,284,637.09
Assets December 31, 1907	65,003,271.10
Surplus December 31, 1907	2,326,657.25
Insurance in force December 31, 1907	174,716,005.00

President, JOHN M. TAYLOR.

FIREMEN'S

Insurance Company of Newark, N. J.

ORGANIZED 1855

CAPITAL,	$1,000,000.00
ASSETS,	4,701,068.80
SURPLUS TO POLICYHOLDERS,	3,148,371.45

DANIEL H. DUNHAM, President — CHARLES COLYER, Vice-President
A. H. HASSINGER, Secretary

WHITON & MERGES, Agents, . . 73 William Street, New York
LEWIS & FREAR, Agents, . . . 145 Montague Street, Brooklyn
H. W. BEALS, Suburban Agent, . 70 William Street, New York

[FIRE]

German American Insurance Company New York

STATEMENT JANUARY 1, 1908

CAPITAL
$1,500,000
RESERVED FOR ALL OTHER LIABILITIES
7,592,685
NET SURPLUS
4,415,353
ASSETS
13,508,038

THE
METROPOLITAN CASUALTY
INSURANCE CO. OF NEW YORK

Home Office, - 47 CEDAR STREET

CHARTERED 1874
PLATE GLASS
PERSONAL ACCIDENT POLICIES
AND HEALTH
OF THE MOST APPROVED FORMS

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DANIEL D. WHITNEY, Vice-Pres't — S. WM. BURTON, Sec'y
ALONZO G. BROOKS, Ass't Sec'y

RELIABLE AND ENERGETIC AGENTS WANTED

1860 — 48TH YEAR — 1908

HOME LIFE INSURANCE COMPANY
OF NEW YORK.

GEORGE E. IDE, President

ASSETS, $20,004,853.63. LIABILITIES, $19,235,418.20.
(Including Dividend-Endowment Fund)

Dividend-Endowment Fund (Deferred Dividends)	$1,795,020.00
Net Surplus	769,435.43
Insurance in Force	86,193,296.87

The forty-eighth annual report shows a gain in the amount of insurance in force; that assets were increased nearly $1,000,000, and that over $300,000 was paid to policyholders in dividends.

Accident — INSURANCE — Health

CONTINENTAL CASUALTY COMPANY

CHICAGO, ILLINOIS

The Largest Company in America Writing Accident and Health Insurance only

More and better forms of accident and health policies, issued separately or in combination, than are sold by any other company, including the latest popular winner ANNUITY ACCIDENT INSURANCE

If not now representing an accident company, address:
H. G. B. ALEXANDER, President and General Manager,
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COMMERCIAL UNION ASSURANCE CO.

LIMITED,
OF LONDON.

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Cor. Pine & William Sts., New York.

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HOME OFFICE OF THE

Metropolitan Life Insurance Co.

INCORPORATED BY THE STATE OF NEW YORK

The Company OF the People, BY the People, FOR the People.

PROOF OF PUBLIC CONFIDENCE

This company has more premium paying business in force in the United States than any other Company, and for each of the last 14 years has had more New Insurances accepted and issued in America than any other Company.

The number of Policies in force is greater than that of any other Company in America, greater than all the Regular Life Insurance Companies put together (less one), and can only be appreciated by comparison. It is a greater number than the Combined Population of Greater York, Chicago, Philadelphia, Boston, St. Louis, Cleveland, Cincinnati and Milwaukee.

ASSETS.

United States, City and R. R. Bonds and Stocks	$81,500,727.38
Bonds and Mortgages	74,620,197.45
Real Estate	19,905,683.48
Cash	5,258,969.45
Demand Loans on Collateral	3,476,500.00
Loans to Policyholders	6,552,375.12
Prem. deferred and in course of collection (net)	4,772,106.25
Accrued Int., Rents, etc.	2,233,904.15
Total	$198,320,463.28

LIABILITIES.

Reinsurance Fund and Special Reserves	$181,775,579.00
All other Liabilities	1,542,371.65
Capital and Surplus	13,951,899.14
Total	$198,320,463.28

Largest Office Building in the World—Madison Avenue, Fourth Avenue, 23d Street and 24th Street, New York City.

SIGNIFICANT FACTS

This Company's Policy-claims paid in 1907 averaged in number one for every 64 seconds of each business day of 8 hours each and in amount $124.95 a minute the year through.

THE DAILY AVERAGE OF THE COMPANY'S BUSINESS DURING 1907:

452 per day in number of Claims Paid.
6,391 per day in number of Policies placed and paid for.
$1,239,393.45 per day in New Insurance placed and paid for.
$162,489.27 per day in Payments to Policyholders and addition to Reserve.
$72,011.34 per day in Increase of Assets.

OFFICERS

JOHN R. HEGEMAN	President
HALEY FISKE	Vice President
GEORGE H. GASTON	2d Vice President
GEORGE B. WOODWARD	3d Vice President
FRANK O. AYRES	4th Vice President
JAMES M. CRAIG	Actuary
FREDERICK H. ECKER	Treasurer
WALTER STABLER	Comptroller
JAMES S. ROBERTS	Secretary
JOHN R. HEGEMAN, Jr.	Asst. Secretary
J. J. THOMPSON	Assistant Secretary
T. R. RICHARDSON	Assistant Secretary
F. F. TAYLOR	Assistant Secretary
FREDERICK A. BETTS	Assistant Secretary
STEWART L. WOODFORD	Counsel
THOMAS H. WILLARD, M. D.	Med. Direct.
AUGUSTUS S. KNIGHT, M. D.	Med. Direct.
W. S. MANNERS, M. D.	Asst. Med. Director
E. M. HOLDEN, M. D.	Asst. Med. Director
I. J. CAHEN	Manager Ordinary Dept.

Paid to Policyholders since Organization, plus the Amount now invested for their Security, $407,462,482.06.
Number of Policies in Force, 9,620,009. Amount of Outstanding Insurance, $1,804,946,581.00.

In its Ordinary Department policies are issued for from $1,000 to $1,000,000 on individual lives, premiums payable annually, semi-annually and quarterly. In its Industrial Department policies are issued on all the insurable members of the family for weekly premiums.

Full particulars regarding the plans of the Metropolitan may be obtained at its Home Office, 1 Madison Ave., New York City, or of its Agents in all the principal cities of the United States and Canada.

Liverpool & London & Globe Ins. Co.,

ESTABLISHED, 1836. ENTERED THE UNITED STATES, 1848.

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WILLIAM & PINE STREETS.

NEW ENGLAND, NEW YORK, PENNSYLVANIA, OHIO, INDIANA, KENTUCKY, TENNESSEE, ARKANSAS, MARYLAND, DELAWARE, DISTRICT OF COLUMBIA, VIRGINIA, WEST VIRGINIA, NORTH AND SOUTH CAROLINA.

H. W. EATON, Resident Manager.
GEO. W. HOYT, Deputy Manager.

CHICAGO OFFICE:
203—205 LA SALLE STREET

ILLINOIS, MICHIGAN, IOWA, WISCONSIN, MINNESOTA, MISSOURI, COLORADO, DAKOTA, KANSAS, NEBRASKA, MONTANA, UTAH, WYOMING AND NEW MEXICO. INDIAN AND OKLAHOMA TERRITORIES.

W. S. WARREN, Resident Secretary.
GEO. H. MOORE, J. V. THOMAS, Assistant Secretaries.

NEW ORLEANS OFFICE:
CORNER CARONDELET AND COMMON STREETS.

LOUISIANA, MISSISSIPPI, ALABAMA, GEORGIA, FLORIDA, TEXAS.

CLARENCE F. LOW, Resident Secretary.
J. G. PEPPER, Assistant Secretary.

SAN FRANCISCO OFFICE:
422 CALIFORNIA STREET.

CALIFORNIA, NEVADA, OREGON, WASHINGTON, IDAHO, ARIZONA

CHARLES D. HAVEN, Resident Manager.
C. MASON KINNE, Assistant Secretary.

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The Weekly Underwriter:

AN INSURANCE NEWSPAPER.

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CHARLES A. JENNEY, President and Treasurer. L. ALEXANDER MACK, Secretary.

IN his speech of acceptance as candidate for re-election Governor Hughes made the following statement of his position regarding the legislation desired by the life insurance business, which was embodied in the bill passed by both houses of the Legislature last session with but one opposing vote, and was unopposed by anyone at the hearing subsequently given by the Governor:

> I vetoed the bill, passed at the last session, which would have modified restrictions upon expenditures, because it was not a conservative measure —such as it was well known I did not view with disfavor—but would have opened the door to extravagance and facilitated a return to old conditions.

It appears, therefore, that the Governor will not permit the change if he is elected and can control the situation. His opponent, Mr. Chanler, has not put himself specifically on record in reference to this legislation, but one of the insurancephobe daily papers of New York appears to have done it for him in the following editorial paragraph on his speech of acceptance:

> Mr. Chanler does not pledge himself to compel criminal proceedings against the insurance and traction criminals. On the contrary, "We have had too much excitement and hysteria," meaning presumably the insurance investigation and the investigation of Ryan's traction looting.

The fire underwriters of New York have read with interest the published letters of Water Commissioner O'Brien and Fire Commissioner Hayes to the mayor of New York setting forth the improvements of the defenses of Manhattan against a great fire, and suggesting that with this in view he shall make an appeal to the insurance companies to reduce the premium rates in the commercial district. The improvements consist mainly in the establishment of the high pressure system and the addition of several large boats of modern type and construction to the harbor fire extinguishing fleet, and it is claimed that with these appliances more than 100,000 gallons of water a minute may be made available at any given point in the high pressure zone. The fire commissioner expresses the opinion that "a reduction in insurance rates might well follow the improved condition in fire protection means and facilities pointed out." Should Mayor McClellan address the Fire Insurance Exchange on the subject he may be sure of a respectful and sympathetic hearing. He will probably be told, though, that however effective the changes for the better may be, the city on Manhattan Island is still well within the conflagration danger lines, and will be until the rotten fire alarm system is swept away and a proper substitute for it is adopted. Moreover, so long as the present high degree of burning throughout the country is maintained, New York must contribute its share to keeping intact the ability of the companies to meet the losses. Rate reduction is the natural and inevitable result anywhere of the lowering fire hazard and decreasing insurance cost. It will come to our city when it is due. The communications to the mayor referred to appear on our news pages.

ON the final returns of the Wisconsin Republican primary election Mr. Beedle came out ahead of his competitor for the Republican nomination for Insurance Commissioner, Mr. Abbott, by forty-eight votes. Had certain informal votes not been rejected by the canvassers Mr. Beedle's majority would have been but fifteen. The total vote cast was 143,022, of which Beedle received 71,535 and Abbott 71,487. It now remains to be seen if the convention when it meets will take the risk of placing on the ticket a person against whom a large number of Republican votes will be given, for there was much heat in the canvass, and the supporters of Abbott are opposed to the continuation of Beedle in office on principle. It was felt by the life insurance interests in the State, the policyholders as well as the former agents of the life insurance companies which were forced to withdraw on account of adverse legislation, that an obstacle to remedial legislation next year would be an insurance department which is responsible for much that is wrong. Added to this is the prospect that Speaker Ekern, the arch enemy of the insurance companies, who has been defeated for renomination for the Legislature, will be deputy commissioner under a new Beedle administration. There is therefore almost a certainty that the bulk of the Abbott vote will go to the Democratic candidate if Beedle is nominated for commissioner, and that he will be defeated, even though Judge Taft should carry the State by a large majority. A condition that exists in this State is duplicated in Wisconsin. The insurance vote here is against the adversary of the insurance business who is running for Governor, and those shrewd guessers in the election betting ring were showing their faith this week in his overthrow by giving odds on Chanler.

THE present lack of uniformity in the requirements as to the valuation of the assets and liabilities of fidelity and surety companies induced the National Convention of Insurance Commissioners, at its recent annual meeting, to adopt a resolution for the appointment of a special committee of nine members of the convention, to be known as the Fidelity and Surety Committee, whose duty shall be to "formulate recommendations for uniform laws or regulations covering matters relating to the business and administration of fidelity and surety companies." The matters referred to in the resolution were principally capital required, character of assets, special deposits, salvage, indemnity collateral, reserves for losses, expired bonds on which claim may be made, adequate rates, unearned premiums and agreements of indemnity which hold reinsurers harmless. The committee thus constituted by the convention will hold its first meeting in the city of New

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York at the Hotel Manhattan on November 10. It is a strong committee, composed of some of the most important commissioners, Mr. Rittenhouse, of Colorado, being the chairman, and the others being Messrs. Button, of Virginia; Hartigan, of Minnesota; Kelsey, of New York, Barry, of Michigan; McDonald, of Connecticut; Young, of North Carolina; McComb, of Oklahoma, and Fletcher, deputy of Massachusetts. Hearings will be given to the representatives of the companies and all other persons interested in the proposed reconstruction of the liability and surety laws for uniform enforcement throughout the country. The following extract from the address of the chairman of the committee on introducing the resolution creating it in the convention will convey a good idea of what the committee wants to secure by future legislation:

The examinations of these companies during recent years has shown very many instances where, owing to this lack of system of uniformity, the assets have been improperly swollen, thus furnishing a fictitious surplus, concealing impairment and the real condition of the company. I believe that this condition should not be permitted to continue. A substantial and uniform minimum capital should be required, proper restrictions should be placed around the investments and the salvage question should be settled. The manner of handling indemnity collateral should be determined upon, the matter of carrying reserve upon contracts upon which the liability extends beyond expiration should receive attention, proper rules should be made regarding the loss claim reserves, and the question of providing an unearned premium reserve by abandoning the present plan—which all admit is unsatisfactory—and requiring reserve laid by at so much per thousand on the contract liability should be considered. A number of departments have given much study to these questions, and the urgent necessity for reform is fully appreciated by all departments.

Facts and Opinions.

A further change in the control of the capital stock of the **Provident Savings Life Assurance Society** occurred this week when 836 shares of the 1,047 shares purchased from the New York banks and the Coyle syndicate were sold by the holder, Floyd Day, the Kentucky capitalist, to Nash Rockwood, county judge of Saratoga County, N. Y., and James L. Scott, vice president of the Adirondack Trust Company of Saratoga, representatives of Douglass W. Mabee, already one of the larger stockholders of the company and its new secretary. It is understood that the control of the stock thus passes from Messrs. Langham and Day to Mr. Mabee, but Mr. Langham still retains his holdings, and will continue as president. It is his purpose to make the strengthening and upbuilding of the Provident Savings Life his permanent business, and in this he will be supported by the strong financial interests behind his colleague, Mr. Mabee. All the money that is needed to place the company on the most substantial basis and enable it to resume the taking of new business will be at once supplied. Under the new order of things Mr. William B. Ellison, vice president and counsel of the company, has resigned, as have also Mr. George C. Clarke, as a director, and Mr. C. M. Clark, the personal representative of Mr. Day, as assistant secretary. There will be no other official changes. The management has already reduced office expenses $52,000, and as the office of vice president will not probably be filled there will be a further saving in the interests of the policyholders.

The heavy rains of the last few days have **quenched** the **forest fires** in the Adirondacks and other regions which have been doing thousands of dollars' worth of damage to the timber interests. In Maine, where the forest fires have been particularly destructive, the railroads have taken precautions not to have any more start from stray sparks. Finer screens for the smokestacks of engines, the wetting down of coal in tenders, and the running of freight trains at night instead of during the day have been ordered, and passengers have been requested not to throw cigar and cigarette stubs out of the windows. A recent investigation of several of the forest fires which have burned so extensively showed that in a majority of cases they originated from causes which the new precautionary measures are intended to provide against. The large and numerous sparks issuing from freight locomotives because of the coarser grade of coal used in those was responsible for several, and the orders to run those at night, when the dew is thick and the dangers of ignition for that reason less, followed. Orders have also been issued to engineers to shut off steam when approaching piles of timber, whenever it is possible to do so without seriously interfereing with the running time. An aggregate loss of $1,000,000 a day during the months when forest fires have been prevailing in various parts of the United States is the estimate made by W. J. McGee, the erosion expert of the Department of Agriculture. The Forestry Bureau in a statement says that probably in every instance the fires might have been prevented if the various States had provided an adequate number of men to patrol the woods and arrest the fires in their incipiency, and if lumbermen and other users of the forests had been careful to dispose of brush after logging so as to prevent the spread of fires. Exclusive of salaries of forest officers, the work of putting down fires on the national forests during the past year cost the Government $30,000, which means protecting approximately 168,000,000 acres. The statement says the loss from timber destroyed in 1908 will be larger than last year, but that it is doubtful if the exact losses will ever be known.

The subject of **tuberculosis as an industrial disease** was discussed at length at the International Tuberculosis Congress by Mr. Frederick L. Hoffman, statistician of the Prudential Insurance Company. Mr. Hoffman emphasized the degree of tuberculosis frequency in dusty trades, and laid much stress upon the necessary differentiation of fibroid phthisis as an industrial disease. He presented a new occupation classification by kind of dust exposure, grouping the different employments considered in detail into such as expose to the continuous inhalation of metallic dust, mineral dust, vegetable fibre dust, animal and mixed fibre dust, general organic dust, and municipal or street dust. Some thirty specific occupations were considered in detail, including practically all of the more important industries and trades. The speaker dwelt upon the problem of tuberculosis prevention as a labor question, bringing out in startling contrast the needless waste of life in American industry. Summarizing his remarks, Mr. Hoffman said:

It is not going too far to advance it as a fundamental principle of sanitary legislation that the consumption death rate among male wage earners can be reduced, by intelligent methods, to at most 1.5 per 1,000. If such a reduction should result there would be an annual saving of 28,000 human lives. Since the average age at death of persons dying from consumption is 37.4 years for all occupations, and probably not much more than 32 years for men employed in strictly dusty trades, and since the normal average age at death in the mortality from all causes is 52.8 years, there would be an expected gain of at least 15.4 years of life for every person whose death from consumption was avoided by rational conditions of industrial life. Such a gain would represent a total of 444,750 years of additional lifetime, and by just so much the industrial efficiency of the American nation would be increased. If we place the economic value or net result of a year's lifetime at only $200, the total economic gain to the nation would be $3,080 for every avoidable death of a wage earner from consumption, representing the enormous total of $88,950,400 as the aggregate annual financial value in the probable saving in years of human life.

The address was illustrated by a series of beautifully executed diagrams derived from the industrial mortality experience of the Prudential Insurance Company of America.

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The American Bankers' Association in annual meeting at Denver on Thursday adopted the following declaration regarding the scheme of **insuring bank deposits:**

Resolved, That the American Bankers' Association is unalterably opposed to any arbitrary plan looking to the mutual guarantee of deposits, either by a State or the Nation, for the following reasons:

1. It is a function outside of State or National Government.
2. It is unsound in principle.
3. It is impracticable and misleading.
4. It is revolutionary in character.
5. It is subversive to sound economics.
6. It will lower the standard of our present banking system.
7. Productive of and encourages bad banking.
8. It unjustly weakens the strong and unfairly strengthens the weak banks.
9. It discredits honesty, ability and conservatism.
10. A loss suffered by one bank jeopardizes all banks.
11. The public must eventually pay the tax.
12. It will cause and not avert panics.

The federal legislative committee which presented the resolutions accompanied them with a report in part as follows:

Depositors of a bank are guaranteed primarily by the character of the assets in which the depositor's money is invested, margined and fortified by the bank's capital and surplus. If a bank's assets, that is to say its investments, are good, if its credits have been wisely extended, depositors are amply protected and need no other guarantee. Why should not the bank's assets be guaranteed? Why not guarantee payment to banks of the receivables of their various clients? This would guarantee deposits. Both propositions are alike illogical and absurd. Let Congress provide a means whereby perfectly solvent banks with good assets can obtain currency with the same facility as banks in other great commercial nations, and they will have gone far toward prevention of panics.

The National Conservation Commission is trying to find out **what it costs the country to fight fires.** The Geological Survey, which is conducting this particular branch of inquiry for the commission, is sending out letters to city officials all over the country, asking for data on the additional cost of city water supplies for protection beyond what is necessary for domestic use. This information will be combined with other statistics of a similar nature to throw light on the general topic of the conservation of life and property through the prevention of fires for the use of the commission when it meets here in December to prepare its report for President Roosevelt. A Washington press despatch says:

This city fire fighting system investigation is part of a general study of the conservation of life and property. The commission is compiling an immense amount of accurate information concerning the nature and extent of loss of life and property from fires, the cost of insurance, water systems and fire departments, and the possibility of preventing fire through the use of fire resisting building materials and of fireproofing systems and the desirability of changes in building systems. The letters which are going out now ask for figures on the total cost of each city's present distributing system, with the amount of pipe laid and the number of hydrants and the cost of water used. They ask further for an estimate of the cost of the system and materials that would be required if the necessity for fire service were omitted and only a domestic supply were needed. Such cities as have a separate high pressure fire system or contemplate installing one can give actual figures of the cost of fighting fires; for others the expense can be deduced with tolerable accuracy. Some of the city officials regard their information as confidential, so that no figures will be available until tabulations of totals can be worked out.

In the current issue of the *American Underwriter* appears a memorial sketch of **Dr. Israel C. Pierson,** in the course of which the editor, Edward Bunnell Phelps, pays this beautiful and touching tribute to his late associate:

Unfortunately, through no fault of his, Dr. Pierson's last few years had been particularly trying ones, the smooth and pleasant currents of his life having been rudely interrupted by the sudden termination of his official connection with the Washington Life—a connection which had uninterruptedly continued for twenty-five years, and almost up to the last moment given every promise of a lifelong tenure. His alliance with that company, and with the actuarial profession for more than a generation, had become part and parcel of his life, and his sudden retirement at the age of almost sixty-two, solely due to the—well, let us say, mistakes—of others, was in the nature of a bolt from a clear sky, from the effects of which he never recovered. He was a self contained man, who never voluntarily spoke of his trials or troubles. The pent-up mental strain, therefore, was probably all the greater; and my associations with him practically dated from the beginning of those saddened years of his later life. I therefore feel that, seeing him almost daily under those most trying of conditions, as I did for three years, I had exceptional opportunities for coming to know him, and his real nature and temperament; and I can unreservedly say that among all my acquaintances in or out of the insurance business, I never met a kindlier hearted, cleaner minded gentleman of the old school than Israel Coriell Pierson. Perhaps the simple phrase, "a gentleman of the old school," really tells the whole story of the man and his life. By birth a gentleman, by instinct a gentleman, by breeding a gentleman, and by all his varied associations a gentleman, his treatment of all with whom he came in contact necessarily was both courteous and kindly. He knew no other code. Even on the rare occasions when he chanced to speak of those who had been responsible for the great misfortune of his life, there was an utter absence of the rancor which surely would crop out in the conversation of nine out of every ten men under similar circumstances.

The **conflagration hazard** of **Lowell, Mass.,** is the subject of a recent report by the engineers of the committee on fire prevention of the National Board of Fire Underwriters. The hazard in the congested value district is characterized as mainly moderate, due to the generally moderate size of the building, the efficient fire department, and mainly good water supply. The water supply is in a fairly satisfactory condition, while the fire department is over 50 per cent. full paid, and the remainder on call. The automatic fire alarm system is stated to be insecurely housed, but fairly satisfactory in other respects. In summarizing the conditions as found the report says:

Although the construction is mainly of ordinary, inferior joisted brick, the conflagration hazard in the congested value district is mainly moderate, due to the generally moderate size of the buildings, the good accessibility, the efficient fire department and mainly good water supply. In the principal part of the district many buildings are of excessive areas and of considerable height with highly combustible contents, inadequately protected by fire shutters or automatic sprinklers, and the conflagration hazard is moderately high. In the congested frame parts of the district, though buildings are mainly small, the hazard is also fairly high. In the mill constructed manufacturing district, which is well equipped with all modern fire fighting facilities, the hazard is small; in parts of the minor mercantile districts it is moderately high; in the combustible woodworking district it is high. These districts are contiguous and together form a conflagration hazard which, though high in parts, is plainly moderate on account of the several fire breaks and barriers afforded by the canals and rivers and the well protected mill district, and because of the efficient fire department, aided by the mainly good water supply.

The company paper of the Mutual Life learns of a case where a policyholder while on an ocean liner recently **increased the amount of his life insurance by wireless** telegraph. This is the account:

In the case referred to, the applicant set out on his journey shortly after signing his application and paying his premium, but before the issue of the policy. A day or two later the agent at Pittsburgh was gratified to receive from the ship at sea a wireless message from the applicant asking to have the policy increased from $30,000 to $50,000, and directing his cashier to pay the premium and accept binding receipt. As the risk was an excellent one and the applicant in every way unexceptionable, and as there was no reason for believing that the ship had struck a rock or was in any especial danger, the increase was promptly approved and the policy issued for the full amount of $50,000. The fact is the gentleman had simply done what other applicants often do after taking time to think the matter over —realized that he really needed a larger insurance and promptly made up his mind to have it. He resorted to the wireless message, just as he would have used the ordinary telegraph, had his new determination been formed on land; but this is probably the first instance of an application for life insurance by "wireless" while at sea. The incident suggests another thought. Busy men have time to think at sea and time to hear the arguments of the life insurance agent. *Mal de mer,* moreover, may aid in getting the prospective applicant into a proper frame of mind to accept the agent's suggestions, and the binding receipt and wireless message will serve to clinch the matter. Thus another of the blessings of civilization is added to the conveniences of modern ocean travel, and life insurance while you sail is to be one of the luxuries of the future!

The following statement has been issued by Charles H. Dresser, the leader in the movement of the holders of policies in the **Safety Fund Department of the Hartford Life** to estab-

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lish a basis of settlement, explanatory of the effects of the recent decision of the Connecticut Supreme Court regarding the future of the fund:

You will see by the above letter from our attorneys to myself that the Supreme Court has decided that the million dollar fund shall be used to pay the last million of insurance in force, and thereby save us from being disrupted and annihilated. It is difficult to overestimate the magnitude and benefits of this decision, under that just and beneficent ruling. The younger members will receive their greatest impulse and incentive to remain with us and aid in paying the quarterly assessments, knowing that the last group of about 500 persons will be relieved from further assessments, and the fund used to pay the face of their policies while living. * * In answer to many inquiries regarding our numbers and amount of insurance in force, the following data will be interesting. When the company ceased taking in new members in 1899 we numbered nearly 40,000. In a letter from the Insurance Commissioner dated July 15, 1908, he states that there are 15,495 persons in the men's department, and the insurance in force amounts to $32,506,050, averaging a trifle more than $2,000 for each member. Lapses have been a greater factor than death in the rapid decrease of our numbers, as there have been about two of the former to one of the latter. Considering our rapid decrease, it is probable in ten or twelve years our numbers will be reduced to the point where assessments will cease, and the million dollar fund will pay all outstanding policies.

The following **Western Union committees** have been appointed by the new president, J. H. Lenehan:

Governing—F. C. Buswell, Cofran & Dugan; J. F. Downing, H. C. Eddy, A. J. Harding, P. D. McGregor; term expiring September, 1909. E. T. Campbell, Thomas E. Gallagher, G. H. Lermit, Marshall & McElhone, W. H. Sage; term expiring April, 1909.

Arbitration—William S. Warren, chairman; Belden & Bush, J. Montgomery Hare, Fred S. James, Law Brothers, Lovejoy & Spear, J. M. Neuburger.

Bulletin—W. J. Littlejohn, chairman; Charles E. Dox, C. W. Higley, Marshall & McElhone; F. W. Sargeant.

Conference—Thomas E. Gallagher, chairman; C. H. Bigelow, H. N. Kelsey, S. Y. Tupper, F. H. Whitney.

Fire Protection Engineering—H. C. Eddy, chairman; C. H. Barry, Belden & Bush, A. J. Harding, W. J. Littlejohn, J. M. Neuburger.

Grievance—C. H. Barry, chairman; H. N. Kelsey; term expiring April, 1909. S. T. Collins, J. M. Decamp, C. W. Higley; term expiring September, 1909.

Large Cities—P. D. McGregor, chairman; C. H. Barry, J. H. Carr, M. F. Driscoll, Fred S. James, G. H. Lermit, Lovejoy & Spear.

Membership—Witkowsky and Affel, chairmen; C. L. Andrews, Milton Dargan, J. M. Decamp, J. Montgomery Hare, H. N. Kelsey, W. L. Steele.

Patrol—G. H. Lermit, chairman; C. H. Barry, Thomas E. Gallagher.

Publicity and Education—J. E. Downing, chairman; E. T. Campbell, Thomas E. Gallagher, P. D. McGregor, W. H. Sage.

Tornado—W. H. Sage, chairman; F. C. Buswell, E. T. Campbell, Thomas E. Gallagher, A. J. Harding, G. H. Lermit, Lovejoy & Spear.

A new thing in British fire protection appliances—a patent turbine petroleum machine—underwent a series of tests at Weybridge, England, recently. The London *Insurance Observer* says:

The newest of new things in fire protection appliances was submitted to the criticism of experts on Wednesday, when a new fire engine—a patent turbine petrol machine underwent a series of tests at Weybridge. The new appliance is the first of its kind, and in order to make the demonstration more interesting a horse fire engine, belonging to the Weybridge Fire Brigade, was put into action. The chief feature of the new machine is the pump, which is driven by the same engine that drives the car, and consequently the large boiler so familiar at the rear of the steam fire engine is done away with. After pumping from hydrants into the River Thames at a very high pressure the motor and the horsed engine "played" together by pumping from the river. In this test the new appliance was seen to be well ahead of the steam engine. Pumping 450 gallons of water to the minute, the motor engine sent a spray into the air about 140 feet high, which was considerably higher than that pumped by the steam engine. Even pumping a double spray the motor was able to exceed the heights of that pumped by its rival. And then the new method distinguished itself. The steam engine had to cease pumping owing to shortage of coal, while the petrol engine continued its labors, and even pumped three sprays of water through 300 feet of hose to 120 feet into the air. It was explained that the new appliance would continue to pump so long as there was petrol, which was easier to carry than coal. The new machine which traveled from London to Weybridge on Wednesday is capable of covering 40 miles an hour.

Proceedings to ascertain by what authority the **Provident Beneficial Association of Philadelphia** exercises rights similar to those of an insurance company were taken in the Dauphin County, Pa., Court on Thursday by the Attorney General's department. The company is a corporation chartered by the Court of Common Pleas of Philadelphia, and does business in that city. B. H. Miller is the president, and H. V. Mohn secretary. The proceedings were taken in the form of quo warranto, citing the company to appear in court and explain its course. It is alleged in the complaint presented to the court that this company, which was incorporated for the purpose of maintaining a society for beneficial or protective purposes to its members from funds collected therein, has been issuing policies of endowment insurance and guaranteeing a cash surrender of them, and also issuing policies to minors between the ages of three and eighteen. This action is held to be without warrant of State law. Insurance of minors can only be made where a person is more than eighteen, and then by an insurance company operating under the control of the State Insurance Department.

Some popular **fallacies regarding endowment insurance** are **nailed** by the Fidelity Mutual Life in the following defense of endowments in its agents' paper:

One of the magazines which attempts to give advice about insurance contained an article the past month advising against the purchase of endowment life insurance, because, "it will be better to take a term policy and put the difference in premiums in a savings bank at 4 per cent." It then proceeded to support the statement by arguments which are only part truth. We answer: 1. No savings bank can guarantee a rate of interest which experience has shown is liable to fluctuate between 2 and 4 per cent., and it is therefore misleading to use the maximum per cent. only. 2. To purchase a term policy, and deposit the difference between the cost of the same and that of an endowment policy in a savings bank, means the trouble, annoyance and expense of maintaining two separate accounts, which would be combined in one under an endowment policy. 3. On the twenty year basis used in the article, everyone should know that of 1,000 men starting out at age 35, only 789 will be living to participate in the endowment fund at the end of the twenty year period, a fact apparently forgotten by the writer of the article. Anyone, with a rate book, mortality table and interest table, can ascertain that at maturity the results from an endowment policy will greatly exceed those of the combination suggested. 4. Aside from the better financial result there is the advantage, under the endowment policy, of acquiring the habit of preparing in advance to meet a fixed payment at a stated period. Deposits in savings banks are made at will, and not because they are required to be made under contract. This feature alone, from an educational standpoint, is worth more than the value of the insurance.

The following is the **Western Union's commission rule,** as arranged at the late convention:

No member of the Union shall pay, or allow to be paid, to any agent on any class of fire, tornado and cyclone business a commission or compensation exceeding 15 per cent. of the net premium—i. e., the gross premium less premium returned upon cancellations and premiums on policies returned as not taken (if the premiums noted therein are included with the gross premiums), and deducting also all rebates and reinsurances effected by local agents to determine the said net premiums. It is understood that this rule forbids all allowances of any kind to the agents in excess of said 15 per cent. commission, whether in the form of rent, clerk or solicitor hire, special agency work or valuable gifts to the agent, his employee, members of his family or other persons in his behalf. Overriding commission on the business of other agents shall not be permitted to anyone eligible to membership in the Union, as prescribed in the first section of the original compact as amended March 21, 1884, and as a representative of the company paying such additional compensation.

It was also resolved as mandatory: "That any arrangements made heretofore by any member contrary to Rule 51, as amended, be discontinued by January 1, 1909.

Stock subscriptions for the **People's National Fire** of Philadelphia have been coming in at the rate of over 2,000 shares a week, with over $700,000 in cash already paid in. It is now planned to begin operations January 1 with a paid-in capital of $500,000 and a surplus of an equal amount, those figures being doubled before the end of the year by the paying up of the stock subscribed for. At the first annual meeting of the stockholders held on Thursday 600 were present. There

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were thirty-one directors elected, and after adjournment it was stated by President Amonson that the stock was oversubscribed $150,000, and that a special meeting of the stockholders was under advisement to consider an increase of capital. John W. Brooks, general agent of the Delaware of Philadelphia, has resigned to accept the vice presidency and secretaryship of the People's National.

The male partner of the lady who figures in the following tale told by *Northwest Insurance* was undoubtedly a life insurance solicitor, and the **hint to the profession** may not pass unheeded:

Seated before a little table, in the dim light shed by a smoky kerosene lamp, was the fortune-teller, deftly shuffling the cards and muttering uncanny incantations to herself. To this scene entered Mrs. Ingold. She was amply repaid. After learning many things of her past life that surprised her—though she could not doubt that they were true if the cards read that way—she was led to a land of enchantment, where distant and obliging relatives, of whom she had never heard, departed this life leaving to her enormous fortunes. But suddenly her dream was rudely disturbed by the discovery of a "dark cloud which menaces your handsome son." "But," said Mrs. Ingold in surprise, "I have no sons—all girls!" "Ah!" resumed the fortune-teller calmly, "I see; it is your husband. The cloud descends and envelops him. Madam, your husband will have a very serious illness within the year. Is his life insured?" "No," whimpered Mrs. Ingold, "I don't know any agent." "Never fear," said the other, as she turned up the king of hearts, "one will come to you today, and I advise you to listen to him and follow his counsel." As the thoroughly alarmed woman departed, the fortune-teller opened the door and yelled down the back stairs: "Jake, follow that woman; she wants to get her husband insured."

The *Insurance Index* of London has little hope that **London Lloyds** will check the gambling feature of its business unless public opinion constrains it to do so. The paper says:

THE WEEKLY UNDERWRITER reprints one of our articles in full, referring to it as "an instructive article, exposing the insecurity of a London Lloyd's fire policy, which should have a wide circulation among the insured public." Our contemporary acts up to its opinions by reprinting the article: it is correct in recognizing that the more widely the facts stated by the *Insurance Index* are known the better it will be for all those holding, or inclined to hold, a Lloyd's Underwriters policy. The utterly erroneous ideas prevailing as to the absolute security of a Lloyd's fire or other insurance policy encourage that gambling that Lloyd's Underwriters are so extensively indulging in. This gambling is more likely to be stopped from the outside than the inside, a wider knowledge of the unreality of the security offered by Lloyd's being far more to be depended upon to bring about this result than any expectation that Lloyd's will so legislate for itself as to bring its gambling within reasonable limits or consent to publish any figures that might guide the public.

Arrangements have been made by the **Insurance Society of New York** whereby members may take the **fire insurance course** at the New York University School of Commerce and Finance at reduced cost, provided a club of at least fifteen members is formed. The society will pay the tuition, and the club members can pay the fee in installments to the society. A course in insurance law is being given at the school, supplementary in its nature to the fire insurance course. The interpretation of insurance contracts of all kinds will be taken up. The first session of two hours was held on Monday evening, and classes will be held in the subject at that hour for the first term of the college year. Professor Bacon and Professor Hardy will be jointly concerned in the conduct of the course.

The **defeat of the sole agency movement** in Kansas City, Mo., is complete. The Kansas City Fire Underwriters' Association, at its special meeting Monday, suspended the rules and admitted all the agents recently dropped from membership for violation of the sole agency rule. A special dispatch to the *Journal of Commerce* says:

Every insurance firm in the city came in except the Allen Investment Company. The proposed amendment to the constitution providing for sole agencies hereafter, but permitting agents now having dual agencies to retain them, was defeated. A new amendment was ordered prepared, which will be considered in ten days, permitting companies on a dual basis to transfer their supplies from one agency to another within the association membership without the consent of the executive committee, and allowing sole agency companies to establish an additional agency. It was held that the campaign to force the sole agency basis had accomplished little and had kept the entire business in a turmoil.

The Insurance Handbook of Illinois has again made its appearance for the year 1908 in its usual complete form, and the Rough Notes Company is entitled to much praise for the excellence of the publication. The statutory requirements of the State of Illinois relating to insurance are given in a brief summary, and the statistics of the Illinois business of the various companies. A list of field men is given, while a separate compilation gives the agency representation of the various companies, with the names of officers, State and general agents, and a brief summary of the companies' statements. The classification of towns as to fire protection is included in the book. The list of agents of Chicago and Cook County are given separately. The book sells for $3.

Comparing the receipts from the contributors to the **German workingmen's insurance system**—the employers, employees and the Government—with the military budget of the empire, *Bradstreet's* says:

Statistics of the insurance receipts are not available later than 1906, but if the rate of increase from 1905 to 1906—50,000,000 marks—holds for the past two years, the receipts in 1908 will probably not be much less than 867,000,000 marks. It is interesting to note that the total military budget for 1908 was 854,000,000 marks, so that the collections for the workingmen's insurance system in 1908 may be said to have probably slightly exceeded those for Germany's land military forces. While not necessarily related in any way to the matter under discussion, it is worth noting that the actual payments for German workingmen's pensions or indemnities in 1906—$143,000,000—just about equaled the expenditures for military pensions by the United States in the same year.

The eighth annual **outing** of the **employees of the New York Fire Insurance Exchange** was held at the Cove, West New Brighton, Staten Island, on Saturday, September 19. An attractive menu was supplied for the benefit of the inner man, which was followed by a dozen musical and other selections by members of the exchange. The impersonations of Carroll Dominge, who presented character portrayals of Martin and Nathaniel Berry in "Shore Acres," and of Uncle Tom and Simon Legree in "Uncle Tom's Cabin," were much enjoyed. There were besides vocal and instrumental solos by members and an exhibition of fancy club swinging by Lester A. Grimes. The meeting was a thoroughly enjoyable one.

The Federal court in Chicago several days ago declined to appoint a **receiver** for the **Republic Life,** the Rhodus company, but ordered that the Rhoduses be ousted from official position, and that John C. Fetzer, the receiver for the other Rhodus companies, appoint a new board of directors. This has been done, and Judge Kholsaat has now confirmed the appointment of new officers and directors to succeed the Rhodus brothers and the directors of their chosing. The new president is John M. Roach, of Chicago. Albert Bettinger, an attorney of Cincinnati, represents Southern people who are interested on the board of directors. A director to represent the Rhodus brothers will be selected later.

The Maine Tax Commission, appointed under a resolution of the last Legislature of that State to gather statistics and report on proposed changes in the taxation laws, is in session. The commission is seeking information about the actual cash value of every life insurance policy in existence in Maine. This does not mean the face value of such insurance but the actual cash surrender value. The tax of the State has heretofore been levied upon the premiums collected by the life insurance companies, while in some States the cash surrender value of the insurance policies in existence is taken for the basis of taxation.

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The **gubernatorial campaign in Missouri** is being waged largely on **insurance issues,** Attorney-General Hadley, who is the Republican nominee for governor, being attacked by the Democrats on the claim that he failed to prosecute the fire insurance companies, and was not active in the matter of the Great Western Life. The Republican platform in return claims that Mr. Hadley saved the people of Missouri $800,000 in fire insurance premiums by his agreement discontinuing the anti-trust litigation in consideration of the abandonment of compact methods and a voluntary reduction of rates.

The Insurance Commissioner of California reports the result of a second examination of the **California insurance company,** which shows admitted assets of $887,919.96, and net surplus of $179,679.91. The commissioner explains:

The last examination of the company, by this department, was made May 1, 1908, for the purpose of verifying its annual statement as of December 31, 1907 (filed January 30, 1908). Owing to the fact that the company's accountant had misconstrued the form provided by this department, it was found necessary to recommend that the company rearrange its accounts and system of bookkeeping in some particulars. This has been done and the corrected statement (filed June 17, 1908) as of December 31, 1907, was checked and no material changes were found necessary.

The negotiations which resulted in the transfer of the control of the **Washington Life insurance company** from Messrs. Morton, Whitney and Ryan to the Pittsburgh Life and Trust Company were conducted by Vice President Charles H. Allen in the absence of President Tatlock, who was away on his vacation, and was not consulted. His first knowledge of the change came to him with his hasty recall home. He will assist the new officers in making themselves acquainted with the details of the company's affairs, and it is understood that his purpose for the future is to engage in actuarial work.

The **Independent Mutual Life** of Philadelphia, which some time ago sold its insurance in force to the Pennsylvania Mutual of that city, is **in trouble.** A rule to show cause why the Independent Mutual Life Company should not close its business was granted by Judge Kunkel, at Harrisburg, on Wednesday. The rule is made returnable October 15. An execution was issued against the company some time ago from the Court of Common Pleas No. 4 of Philadelphia. A return of "no goods" was made, and Insurance Commissioner Martin certified these facts to Deputy Attorney General Cunningham.

A **receiver** is asked **for** the **Bankers' Union,** an Illinois insurance corporation, by Mrs. Frances James, of Spokane, Wash., in a bill filed in the United States Circuit Court at Chicago. She avers that she holds a claim for $2,000, due under a policy issued to her late husband, Thomas H. James, and charges irregularity in the conduct of the corporation. The company, it is asserted, is a successor of the Bankers' Union of the World, a fraternal insurance society organized under the laws of Nebraska. Its supreme president was Edmund C. Spinney, who is made a defendant in the bill.

Much encouragement for future business activity is found in the reports made to the **Western Factory Insurance Association** of the plans of manufacturers for business next year. The association keeps a special file of its customers who are enlarging their plants, in order that it may see that the sprinkler equipment is promptly installed. This file is now larger than it has ever been before, an interesting fact being that many plants which are now working at half time or on short hours are nevertheless building extensions and preparing for a renewal of activities after the election.

A bill has been filed by Matthew J. Huss, of Chicago, asking for the appointment of a **receiver** for the **Bankers' Endowment Association** and the Bankers' Endowment and Mutual Association. The complainant avers he recovered a judgment for $280.11 against the Bankers' Endowment Association in the Municipal Court January 24 last, and that it has not been satisfied. Otto von Rautenkranz, the international president, and Bertha Sand, the former international and now acting secretary, are in hiding, it is averred.

The **Austrian Phœnix** of Vienna has settled with sixteen of the **San Francisco** firms which brought suit in the United States Circuit Court to recover for **losses** involved in the conflagration of 1906. The actions against the company have been dismissed, stipulations having been filed by L. A. Redman, attorney for the plaintiffs. It is understood that the insurance company settled at a rate of 61 per cent. cash on the face value of the policies and 5 per cent. for attorney fees.

The Wisconsin National Life insurance company, having secured subscriptions for 100 policies, representing $100,000 in insurance, has filed articles of incorporation in the office of the Secretary of State at Madison, Wis., and a charter will be granted. This is the first stock life insurance company to be organized in Wisconsin. The home office is in Oshkosh. Manford W. McMillen, with offices in the Wells Building, Milwaukee, has been apointed manager.

The **United States Annuity and Life of Chicago** wrote $504,000 during August, this being the largest business for any month in the company's history. Charles W. Tway, manager for Alabama, undertook the work and asked the agents to make a special effort during the month in honor of Secretary William T. Smith. C. T. Burris, Mobile, won the prize offered by Manager Tway for the largest individual producer with $57,000 of paid-for business.

The trustees for the bankrupt Wisconsin Grand Lodge of the **Ancient Order of United Workmen** have filed an amended bill asking for an accounting of the books of the Supreme Lodge, holding that the latter is liable for all claims unpaid by the bankrupt Grand Lodge. It is claimed that the Supreme Lodge abolished a guarantee fund of a million dollars, of which $63,966 should have gone to the Wisconsin Grand Lodge, but which was not paid over.

The Arkansas Insurance Department has **suspended the license** of the "Great Southern Home Industrial Association," a negro insurance concern with agencies in every prominent town in that State, because the bondholders were unwilling to remain longer on the $20,000 bond filed with the Secretary of State. The only remaining negro insurance company writing in the State is the Arkansas Mutual Aid Association, which was recently organized.

Managers and general agents of the **Columbian National Life** of Boston gathered at the home office on Wednesday, Thursday and Friday last for an agency conference. Discussions of various matters connected with the company's business were held. On Friday evening a banquet was held, at which the forty odd agents were the guests. Manager Hunter of the New York office was among those present.

The **Life Underwriters' Association of St. Louis** has appointed the following committee to **investigate rebate charges** against six different men: J. P. Phelan, general agent of the Equitable; George E. Black, general agent of the Mutual Benefit Life, and J. J. Kelly, general agent of the State

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Mutual Life. The anti-rebate campaign will be pushed with energy.

The **Home of New York** has taken up its supplies from the **Epperson agency** at Nashville, Tenn., although Mrs. Epperson will still continue to solicit business, which will be written through the first agency of the Home. The Tennessee Insurance Department is still investigating the charge of a boycott against the Epperson agency.

The Pacific Mutual Life of Los Angeles has offered **a perpetual challenge cup** to its general agents in the life department. The name of each agency winning it is to be engraved thereon, and the cup is to become the permanent property of the agency succeeding in winning it three times.

An ordinance has been passed at **Richmond, Ky.**, providing for an annual **license fee** of $50 from each local fire insurance agent. It is claimed that the agents are charging their companies a flat amount to cover this expense, and companies have been warned to look out for such charges.

Non-Board companies are increasingly active **at San Francisco,** and are offering to write business at much less than the Board rates. One manager representing several non-Board companies proposes to give a rebate of 25 per cent. to all persons bringing business direct to the office.

Officers have been elected as follows by the **New Orleans Fire Prevention Bureau:** President, J. D. Kitchen, Providence-Washington, Virginia Fire and Marine and Virginia State; vice president, Fred C. Stockdell, Phenix of Brooklyn; secretary, Sol Bloodworth, re-elected.

At a meeting of the board of directors of the **Michigan Commercial** of Lansing, Mich., on Friday last, it was voted to **increase** the **capital** from $300,000 to $400,000, and the surplus to $100,000 at the same time. The stock was practically all subscribed at that time.

The Iowa Fraternal Congress at its annual meeting went on record in opposition to any **insurance rate legislation** at the next session, being especially opposed to the proposed minimum rate bill for fraternals. The orders have 233,000 members in the State.

Following the recent fire in **New Orleans** a **rate** advance has been made in practically all property lying in that territory bounded by the river, Julia, Canal and Saratoga streets, as well as in the section between the river, Dauphine, Canal and Hospital streets.

The **New Hampshire Fire** has been transferred in Brooklyn from Delesderniers & Jones to the Brooklyn office of the Insurance Company of North America, in the management of which Mr. Delesderniers has succeeded the late John S. Oliver.

Individual **agents** in **New England** of the **North River** and Nassau will hereafter report direct to the home office, as H. G. Fairfield & Co., of Boston, have given up the general agency of these companies, except in Greater Boston.

Application for **rain insurance** has been made to **London Lloyds** by the management of the Spokane (Wash.) State Fair. Lloyds is asked to insure against one-tenth inch or more of rain between 9 a. m. and 8 p. m. on fair days.

The **Detroit Life Underwriters' Association** will open the season with a dinner at the Hotel Tuller October 5. Vice-President Appel of the New England Mutual Life and Congressman Denby of Michigan will speak.

The Equitable Fire of Charleston, S. C., has withdrawn from the **South Eastern Underwriters' Association.** The Union of Philadelphia and Insurance Company of the State of Pennsylvania have been elected to membership.

The fire protection of the **Alaska-Yukon-Pacific Exposition** at Seattle next year is to be furnished by the city, it equipping the fire department and paying salaries and providing for the expense in the city tax levy.

The Texas Insurance Department has been notified that **the National Life of the U. S. A.** has invested $108,000 in Texas farm mortgages preparatory to the issuance of a license under the new deposit law.

The stockholders of the **Stuyvesant insurance company** of New York have approved the proposed increase in capital stock to $400,000.

The **Profit Sharers Life** of Philadelphia has been incorporated with a capital of $200,000, which may later be increased to $2,000,000.

Portland, Ore., is materially increasing its **fire protection,** having ordered 500 new hydrants and 20 new fire alarm stations.

The **Girard Fire and Marine** has been admitted to Arkansas.

Personal.

AGENCY APPOINTMENTS.

North River and Nassau Fire of New York: George E. Hill, special agent for Massachusetts and Rhode Island; G. Burgess Fisher, Jr., special agent for Connecticut.

Pennsylvania Fire: J. O. Beck, special agent for Indiana, succeeding Harry Gamble, resigned.

Providence-Washington: W. V. A. Keeler, special agent in the Middle department.

Col. Samuel B. Paul, prominent as an insurance lawyer and historically distinguished as the plaintiff in the celebrated United States Supreme Court case known as "Paul versus Virginia," died at Petersburg, Va., September 26, aged eighty-one years. Until recently and for many years Colonel Paul was a resident of the city of New York, where he practiced at the bar and was counsel for the New York Underwriters' Agency. He was a native of Virginia and an officer in the Confederate Army during the Civil War, in which he performed some intrepid service. His connection with the noted insurance case in the courts originated in the desire of the late Alexander Stoddart to establish the ruling that insurance is commerce and therefore subject to national supervision. Suit was brought against the State of Virginia to test its exclusive right to supervision. The United States Supreme Court decided that insurance is not commerce and thus reaffirmed the right of the States. Colonel Paul survived his wife a few months only and left no children. He was a pleasant gentleman of the "old school."

Mr. J. M. Neuburger, for seventeen years Western manager of the Atlas of London, will retire January 1, and will be succeeded by George E. Haas, who has been his assistant. Mr. Haas, who is thirty-three years old, entered the insurance business in 1889 with the Metzger agency at Indianapolis, and joined the Atlas when its Western department was established in 1891, serving as clerk, examiner, field man and assistant manager. Mr. Haas was the founder of the Fire Insurance Club, of Chicago, and has served it as president.

Mr. Augusto B. Leguia, the newly elected president of Peru, is an old life underwriter. He represented the New York Life in Peru, Bolivia and Ecuador until the company abandoned this field. He later became the manager of "La Sud America," a Peruvian life insurance company.

Col. John N. Simpson, Republican candidate for Governor of Texas, makes fierce assaults in his speeches on the Robertson investment law, declaring that it has driven cheap money from the State and ruined the business of thousands of valuable citizens.

General Manager Samuel J. Pipkin, of the Atlas of London, arrived in New York on Friday last on the steamer Carmania, accompanied by Manager F. J. Devlin, of the Pacific Coast department. Manager Pipkin started immediaately for the West.

Mr. John W. Brooks, general agent of the Delaware insurance company of Philadelphia, has resigned to take the vice presidency and secretary

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ship of the new People's National Fire insurance company of Philadelphia.

Mr. Charles A. Howland, president of the Quincy Mutual Life insurance company, died at Quincy, Mass., on Thursday after a brief illness. He was born in Worcester seventy-nine years ago.

Mr. Robert J. Ott, senior member of the Bethlehem, Pa., insurance firm of R. J. Ott & Son, died September 22 at his home of emphysema of the lungs. He was sixty-two years old.

Mr. Robert Henkel, of Detroit, has been elected president of the Michigan Millers' Mutual Fire of Lansing, Mich., to succeed the late C. G. A. Voigt, of Grand Rapids.

Senator Dowell, of Des Moines, has drafted a bill providing for a separate insurance department for Iowa, which he will urge in the next Legislature.

Manager F. W. P. Rutter, of the London and Lancashire, arrived in New York this week on the Carmania.

Casualty and Surety Insurance.

Unusual accidents of the week are as follows: In trying to kill a mad dog a Brooklyn policeman had one of his thumbs torn off and was otherwise badly bitten; the foreman of a steel works at Pueblo, Colo., was literally stewed to death when he fell from a high ladder into a vat of scalding water; a Connecticut man caught his foot between the guard rail and outer rail of a railroad bridge he was crossing and fractured the limb; a sheep herder was struck by lightning and fatally injured while working in a field; ptomaine poisoning killed a Wyoming man who ate heartily of canned goods; while playing with his fellows at "follow my leader," a ten-year-old boy lost his balance in swinging from a tree and was killed; thrown from his horse while attending the funeral of a friend, a public official of New York City sustained a sprained ankle; a young man whose clothes were set on fire by friends when they found him asleep was fatally burned; a football player broke his jaw at Pittsburgh during an afternoon's practice; a Pennsylvania farmer in falling from a wagon stuck his head in a woodpile and died before he could be extricated; believing that a weed killer containing sulphuric acid was wine, a man drank from the receptacle and died in agony; a popular young woman of Williamsport, Pa., fainted in the bath tub at her boarding house and was drowned before help arrived; a two-year-old baby who was playing with matches set fire to her clothes while the parents were away and was found burned to a crisp; while being shaved a Pennsylvania man had a close call from death as the barber who was working on him was stricken with paralysis while shaving the customer's throat; following the explosion of nitro-glycerine in a well they were digging, a farmer and his son were killed by the noxious gas fumes; an eight-year-old boy was hit by a brick and killed as a result of teasing a hokey-pokey peddler, who retaliated by throwing things at his young tormentors; while painting a school building in Philadelphia a painter missed his footing and fell to the street below, sustaining fatal injuries; a male snake charmer nearly had his life crushed out while performing at a State fair with a boa constrictor; a female vaudeville performer crashed into a fence while descending on a wire fastened to the roof of the grand stand at the same fair and sprained her shoulder; enraged at being beaten by a teamster, a mule kicked and bit the man, inflicting fatal injuries; an amateur baseball player fractured several ribs and may have sustained fatal injuries in sliding to second base during a baseball game; while cleaning some clothes with gasoline a woman was badly burned when the open gasoline bottle exploded; an inveterate cigarette smoker set fire to the gasoline in a launch in which he was sailing, and was drowned while trying to escape the flames; overcome by the gases emitted from a tall chimney, on the top of which he was working, a man fell 80 feet to the ground and was killed; a New York State farmer, who was driving cattle home from a county fair, was knocked down by the stampeding animals and his thumb was broken by coming in contact with the street curb; the foreman of a large building used for the storage of fish was killed when the building suddenly collapsed from the weight; falling down stairs with a lighted lamp in her hand, a woman was painfully burned and bruised; while two brothers were trying to drive a bull into a pen the animal turned upon them and gored both of them severely; death came to the relief of a football player whose spine was broken while playing football, paralysis having developed; a schoolboy was shocked to death by leaning against an iron fence near which an electric current had become grounded; a boy's prank in holding a lighted match to the hunghole of an empty whiskey barrel caused an explosion which injured the lad badly; a baby was badly scalded by upsetting a pot of tea on her face and body; a woman's baby was left on a folding bed, which she later closed up, thereby smothering the baby; a baker caught his fingers in the cog wheels of a dough-mixing machine and lost all on his right hand; a Springfield, Mass., policeman was killed by a brother officer when a pistol being examined by the latter was discharged, the ball striking the other officer in the groin.

The **resignation of President Robert B. Armstrong** from the Philadelphia Casualty, to take part in the organization of the **Consolidated Casualty** of Philadelphia, by which company he was elected to the office of president following his resignation from the Philadelphia, was announced this week. Mr. Armstrong's place was later filled by the directors of the Philadelphia Casualty by the selection of W. Le Mar Talbott, second vice president of the Fidelity Mutual Life of Philadelphia, which company is financially interested in the Philadelphia Casualty. The new president has been a director of the Philadelphia Casualty for the past four years, although his experience is chiefly in the life insurance field. He has been connected with the Fidelity Mutual Life for the past twenty-six years. It was announced after the meeting at which President Talbott was elected that there would be no consolidation of the Philadelphia Casualty with the Consolidated Casualty, or with any other company. This is contrary to the plans which were first announced, which gave color to the report that the Consolidated would take over the Philadelphia. It is believed that if the stock control of the Philadelphia could have been secured by those affiliated with Mr. Armstrong, the company might have been merged with the Consolidated Casualty, which is organized under the laws of West Virginia with $1,000,000 capital, and a surplus of a like amount. As it is, the Philadelphia Casualty remains in the control of the Fidelity Mutual Life interests, and will continue business along old lines. The company was organized in 1900, and according to its latest annual statements had total assets of $841,019, liabilities, including capital, of $774,382, and a net surplus of $66,637.

A **surety company's bail bond** is now acceptable **in criminal** as well as in civil **cases in Massachusetts.** Assistant District Attorney Isaacs established the precedent a few days ago in connection with the case of Frank W. Fowler, who was arraigned before Justice Bolster in the Suffolk County Superior Court, accused of issuing worthless checks to the value of $10,000. The American Bonding of Baltimore supplied the bond, which resulted in Fowler's release. Previous attempts to secure such a bond had failed owing to legal limitations. The decision of Assistant District Attorney Isaacs was based upon a portion of Section 61, Chapter 576, of the Acts of 1907, which reads as follows:

And also may act as surety upon any bond or undertaking to any person or corporation, or to the Commonwealth, conditioned upon the perform-

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ance of any duty or trust, or for the doing or not doing of anything in said bond specified.

From a financial standpoint this kind of bonding would not be considered of great importance by a surety company on account of the risks attaching to such cases in paying over the money to unauthorized persons, and then being obliged to fight attachments. Moreover, it is necessary for the person who furnishes the bail to place the full amount in cash with the company, when, in most cases, it would be fully as practical to appear directly before the court. The value of the decision for anyone a resident in any city away from home who could not arrange for bail locally is at once apparent. It might sometimes occur, too, that a person who did not care to be connected with a case would take this means of providing bail for a friend.

In an opinion handed down Monday in an appeal taken by the Portland Gold Mining Company from the verdict secured against it by Andrew Duke, the United States Circuit Court of Appeals in Colorado upheld the decision of the State Supreme Court, declaring the **Employers' Liability Law** passed by the Legislature in 1901 **invalid.** The law was declared illegal by the Supreme Court because, in compliance with a section of the State constitution, the ayes and noes taken in a vote of the members of the house were not recorded on the journal of the body. The journal itself, the court ruled, was sufficient evidence to show that the constitution had been violated. The Circuit Court of Appeals concurred with the rulings of the Supreme Court in every particular. On the instructions of Judge Lewis, of the United States Circuit Court, Duke, who was injured in the company's mill, was awarded $500 damages. He cannot recover these damages as the result of the higher court's decision, the judgment being reversed and the suit remanded for new trial. The testimony adduced by Duke's attorneys showed that he had been injured through the negligence of his fellow workmen. The opinion of the Circuit Court of Appeals, which was written by Judge Vandeventer, holds that in the common law the employer is not responsible for the death or injuries of a servant caused by the negligence of a fellow servant, and that, unless the common law is abrogated by a State statute, no damages can be secured against the master.

The Pennsylvania Casualty of Scranton recently matured its **"premium dividend policy,"** a form of contract which it first issued in 1903. The policy provided for the payment of cash dividends for the reduction of premium beginning the sixth year. The dividend this year amounts to $1.05 per $1,000 of insurance. In addition the accumulation clause is in effect. In case of a $25 annual premium it is reduced to $19.75, and the face of the policy is increased to $6,000. The company's new "premium dividend" policy provides for increasing weekly indemnity under which should the total disability continue for more than ten weeks, beginning with the eleventh week the industry increases each week 4 per cent. of the original weekly benefits until such increase equals the original weekly indemnity. For example, under a $5,000 policy a claimant would receive $25 a week for ten weeks, $26 the eleventh, $27 the twelfth, $28 the thirteenth, and so on. If the disability lasts thirty-five weeks or more the claimant gets $50 a week.

Insurance against the break down of machinery has assumed some importance in England, and the London *Insurance Observer* says:

One of the leading authorities on the subject is Mr. Michael Longridge, chief engineer to the British Engine, Boiler and Electrical insurance company. In a report compiled by this gentleman we are told that the higher percentage of breakdowns with gas engines as compared with steam engines indicates the need for improvement in the design of the former type of prime mover. For the engines over which the survey extends the percentage of failures of valve gear in steam engines, the most fruitful source of breakdowns, was 28 per cent. last year, while for gas engines the percentage was 43.3. Mr. Longridge attributes this higher percentage in the case of gas engines to the increased speeds and the complication of parts, for which the designer has failed to make adequate provision. There has also been an increase in the cylinder breakdowns in gas engines, the percentage being twice as high as that for steam engines, due to the higher temperatures reached in these engines.

Neither a fender nor wheel guard that was perfectly satisfactory was discovered in the tests of **car safety devices** made at Schenectady the last two weeks in September. The devices experimented with showed considerable ingenuity in many cases. The dummies used to represent human beings, of various weights, were picked up by the fenders safely enough in certain positions, but in other positions lost an arm or a leg when in contact with the car. Some devices saved standing objects from injury all right, but were deficient in picking up dummies lying prostrate upon the tracks, and vice versa. Similar variations were noted as regards the wheel guards. The tests were made under the supervision of the Public Service Commission of the First District of New York.

A modification of Treasury Department rulings which virtually confined **import bonds** to **corporate sureties** has been made so that the regulation as first promulgated will apply only to bonds filed in Washington. The collectors of custom houses elsewhere are given discretion in the selection of either individual or corporate sureties. The previous regulation required that there should be at least two individual sureties on every bond and that each surety should justify in unincumbered real estate at its fair market value, the aggregate of which should be at least twice the penalty of the bond. Each individual surety was also required to sign an affidavit showing the amount of his resources over and above all liabilities, describe fully every piece of property and specify all liabilities.

Agitation among **carpenters** for **tool insurance** is likely to bear fruit in definite arrangements for a company protecting members against such loss, at the next annual meeting of the United Brotherhood of Carpenters and Joiners. Every member participating in the tool insurance fund, according to the proposed rules, shall, in case of loss or damage to his tools by fire, water, wreckage of building or explosion, receive within four days the sum fixed by the investigating committee. No loss or damage to tools will be paid which are incurred while the member is working on Sunday or after the regular hours. It has been suggested that the amount of insurance carried by the member should in no case be less than $25, nor more than $100.

According to a recent decision of the Court of Appeals of New York State, an **employer is not liable for the acts of a servant** who violates the provisions of labor laws, if it is shown that as soon as his attention was called to the violation he took steps to remedy conditions. The question was raised in the appeal of George H. Taylor of New York, who was convicted of employing a girl under age in a factory over which he had direct supervision. It was shown that the girl was employed by a forewoman, and that when Taylor learned of the violation he dismissed the girl from his employment. The court ordered the discharge of Taylor, who was convicted by the Court of Special Sessions.

The hearing in the matter of the **United States Fidelity and Guaranty** of Baltimore, appointed by Insurance Commissioner Rittenhouse, of Colorado, for September 30 at

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Denver, began on that day, and was continued by the commissioner to November 15 at Baltimore, when it is expected that Examiner Wolfe will be present. At the opening hearing on Wednesday the case for the company was presented by President Bland and Vice President Bartlett. The adjournment was taken to enable Mr. Wolfe to reply to the statements made on behalf of the company. The commissioner will take no action until after December 5.

While the **St. Louis contractors** have abandoned their idea of organizing a mutual insurance company to furnish their **contract bonds,** owing to the requirements of the State law, they are making strenuous efforts to give personal or other surety. Nichols Pellegren, who has a public school contract involving a $75,000 bond, gave the Mississippi Valley Trust Company as surety. He claims that he paid a premium of $200, considerably less than the surety rate, but was required to put up collateral.

It was announced this week by A. E. Pardington, general manager of the Motor Parkway, who is in charge of the arrangements for the **Vanderbilt Cup races,** that he would file two domestic bonds for $25,000 each with the board of supervisors of Nassau County. He also said he would file a "binder" for $100,000, which he had applied to Lloyds of London for. From this it would seem that Lloyds has assumed all liability for accidents during the races for the cup.

A **reorganization** of the **Massachusetts Mutual Accident Association** has been effected whereby the twenty-five year old company founded by the late George E. McNeill has been transferred from the assessment to the stock basis. The capital stock is $100,000. The officers are as follows: G. Leonard McNeill, president and general manager; A. C. Warren, vice president; A. E. Denison, treasurer, and I. M. Hathaway, secretary.

Why increase the number of **insurance companies with similar or identical names?** It is confusing to agents and policyholders alike, and is the cause of frequent misrepresentations. A Philadelphia casualty company is now organizing under the name "Consolidated." There already exists the Consolidated Casualty Company of Minneapolis, which only recently began business.

The South Dakota Insurance Commissioner, O. S. Basford, calls special attention to the fact that a number of **unlicensed burglary insurance companies** are operating in that State. The law requires a deposit of $20,000 with the State Treasurer, in consequence of which only the United States Fidelity and Guaranty, the American Surety and the National Surety are licensed.

The **credit insurance companies** are suffering severely this year as a result of the **business depression.** The loss ratio of the American Credit Indemnity Company for the first six months of 1908 was nearly 100 per cent., and its semi-annual statement shows its net surplus to be reduced over $250,000, in spite of the appreciation in the value of its securities.

Fall bank burglaries have already begun. The Ocean Accident was called upon only a few days ago to adjust a loss in connection with the break at the First State Bank of Dwight, N. Dak. The robbers blew open the safe, but got little if any money. The Ocean has sent an inspector from Minneapolis to adjust the claim.

The **Surety Underwriters' Exchange** of Omaha has been organized with the following officers: J. H. Mithen, president; W. A. Yenson, vice president; H. O. Batty, secretary; J. R. Wells, treasurer; E. L. Culver, Harry S. Byrne, J. H. Mithen and H. O. Batty, executive committee.

The formation of the **Columbia Guarantee Company** of New York, which will write casualty and surety lives, has been announced. The capital proposed is $1,000,000, with a surplus of $1,500,000. The new company is backed by Western capitalists.

The **Chicago Surety managers** have agreed to operate on the plan recently adopted in New York, under which policies are to be regarded as cancelled unless paid for within sixty days.

The Casualty Company of America has **opened a branch office** at Syracuse, N. Y., in the White Memorial Building, under the management of J. A. Wood.

Miscellany.

A Reduction in the Conflagration Hazard of Manhattan Claimed and Lower Insurance Rates Suggested.

Water Commisssioner O'Brien and Fire Commissioner Hayes, of New York, have sent to the mayor arguments for reduction in insurance rates in the territory in which the new high pressure fire service has been installed. They say that Manhattan has a system of fire protection not equaled by any other city in the world. The mayor made public on Wednesday the letters he had received from the two commissioners, but made no comment. The following are extracts from Commissioner O'Brien's communication:

Aside from the benefits to the city at large from the efficient protection against a general conflagration, our merchants should derive that of a substantial reduction in the present fire insurance rates, at least throughout the high pressure fire service district. You will recall that at the public hearing called by you to discuss the installation of this system, representatives of the fire insurance interests, who strongly advocated it, advanced as their main argument the reduction of the great fire risks throughout that district.

In Philadelphia, by express agreement between the fire insurance companies and the city, it was provided that a reduction of 25 cents on the rate paid for each $100 of insurance would be made on the completion of the high pressure fire system in that city, of which amount 15 cents would be rebated on the completion of the distribution system, so that the fireboats could pump into it, and the remaining 10 cents when the pumping station would be finished and put into service.

On such a basis the rebate on the fire insurance premiums now paid by our merchants in the dry goods district would, in a very short time, more than equal the full cost of the installation of our high pressure fire system.

In his letter Commissioner Hayes wrote:

Following the San Francisco conflagration the underwriting authorities of New York city felt themselves constrained to advance rates to a point commensurate with what they believed the hazard demanded to guarantee them an adequate profit in their calling. But while conditions at that time existing in the fire insurance world may be assumed to have justified this action, it seems to me that with the noteworthy progress in fire protection, means and facilities recently attained in this city in the addition of three large boats of modern type and construction to its fire extinguishing fleet, and the placing in successful operation of the high pressure system in a large and important business section of the municipality, the time has come when the New York Board of Fire Underwriters might with wisdom and propriety take into consideration the matter of the advisability and feasibility of reducing the rates of insurance along the water fronts of the boroughs of Manhattan and Brooklyn and in the great business sections of those boroughs now covered by said system.

The fireboat fleet, which numbers ten vessels in all, has a pumping capacity of about 78,000 gallons a minute, equal to the

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pumping power of 130 fire engines (allowing an average of 600 gallons a minute for each engine), or almost equal to that of the entire land force, and adding the 35,000 gallons a minute available by high pressure in the territory specified, it will readily be perceived that with the combined force an adequate supply of water is at hand for all conceivable emergencies, more than 100,000 gallons a minute being available at any point in the high pressure zone of the Borough of Manhattan, or also in that of Brooklyn.

In case of fire, however, the uniformed force is provided under the improved conditions with three distinct lines of defense, namely, the fire engines connected to the old source of water supply, the high pressure supply from pumping stations and the supply from fireboats, insuring, in the opinion of the chief of the department, a larger quantity than can be obtained in any other city in the world, and doing away with the possibility of any fire occurring with which the department would be unable successfully to cope.

In view of the facts above set forth and of the high degree of efficiency of the uniformed force I deem it proper to suggest to your honor that a reduction in insurance rates might well follow the improved conditions in fire protection means and facilities above pointed out, and should you concur in this view that you submit the matter for the consideration of the New York Board of Fire Underwriters.

Modern Surgery in Relation to Accident Insurance.

(Dr. Harvey B. Stone in the Budget of the Maryland Casualty Company.)

To the average solicitor on the street, hustling for business, or to the office man occupied with his day's work on the books, there may seem little relation between the earning of a livelihood in the accident insurance business and the researches of an obscure French scientist, carried on forty years ago, concerning diseases of animals and plants. Yet the relation exists, and is neither fanciful nor difficult to trace. Certainly the officers of an insurance company in framing a policy, or calculating a rate, would be conscious of the dependence of their business upon the present efficiency of surgery; and the advance of surgery to its present status is to a startling degree dependent upon the obscure Frenchman referred to above, the now world famous Pasteur.

Accident insurance, particularly under the complex policy forms now sold, is a business of rather recent origin. There may be a number of contributory reasons for this late development, but no other need be sought when it is known that the condition of surgery was such that the underwriting of accident insurance would have been too hazardous a proposition to attract capital. Certainly, any rates remotely approaching those of the present day would have been promptly ruinous. But the principle of antisepsis, resulting from Pasteur's work, has revolutionized medicine, and constitutes, with anæsthesia, twin Pillars of Hercules marking the gateway to a vast new ocean of discovery, much of which still remains unexplored. Such a statement may seem empty rhetoric to a layman; it is based upon solid and most inspiring facts.

Forty years ago it was almost unheard of for a wound to heal cleanly without the long and slow process of pus formation. So uniformly did the latter complication occur, that, though it is now rare and accidental, it was then regarded as normal, and there was some alarm felt if it did not occur, setons and drains being used to induce suppuration.

As regards accident insurance, such differences as these would have to be estimated upon when rates were made; the period of immediate disability for almost every severe wound would be from two to ten times as long as it now is; further, the permanent disability in many cases would be more extensive and much more frequent than at present. Today a surgeon lengthens or shortens tendons, or invades joint cavities with impunity, but in the preantiseptic days injuries to tendons or joints nearly always meant lifelong stiffness of limb or rigidity of a set of muscles.

But serious as these differences would be to the company selling accident insurance, they are nothing to the losses that would have to be paid under the clauses covering life and limb. Were an accident insurance company, like the Yankee in King Arthur's Court, transported backward on the stream of time, not twenty centuries but only forty years, they would have to rewrite their policy forms at once and cube their rates, or else go out of business. Perhaps the latter course would be wiser, for frequently a deep flesh wound, and nearly always a compound fracture, meant the loss of a limb. Many cases that the writer has seen recover with relatively short disability and perfect final results would then have meant an immediate amputation. The crushed hands, mangled in machines, and the legs run over in crowded streets, so constantly met with in the hospitals now, would soon have parted company with their fellow members in the bodily economy.

But why were the surgeons then so radical? Why this desperate haste to amputate? Because the surgeons of that day knew from bitter experience what general infection and rapid septicæmia were, and if any cause prevented amputation death could be looked forward to almost with certainty. In those days hospital gangrene and its fellows, jail fever and child-bed fever, were not, as now, reduced to mere names in text books, but stalked abroad in the land, claiming their victims where they would. Perhaps enough has been given in this brief outline to convince the man who sells accident insurance that he owes something to that quiet, withdrawn scientist, Pasteur, but the medical man knows that not only those in the accident insurance business, but all mankind owe so much to Pasteur that one of their number has accorded him an unsurpassable tribute, "the greatest man since Jesus Christ."

Magnificent as the results of Pasteur's work are, however, they are by no means the only great advance made in modern surgery, and hence in accident insurance, for it is a truism that surgery and such insurance progress step for step together. Without going into the many new achievements of the laboratory and the operating room in detail, there are two new methods of interest in a paper of this nature from their very direct bearing on accident surgery. I refer to the X-ray and to tuberculin.

Until recently no field of medicine presented more difficulty and disappointment than diseases and injuries of bones and joints —difficulty because of the obscurities in diagnosis and disappointment because of the frequent unsatisfactory results. Indeed, the opinion has been expressed by leaders in the medical profession that bone cases were the bane of the physician's existence, and the fruitful cause of more damage suits than any other legitimate class of cases. The importance of such cases may be best made clear by a concrete example. A man receives a violent twist of his ankle. When examined by the doctor there is so much swelling that it is impossible to decide whether the case is a severe sprain or a fracture of a small bone. If it is a sprain, after a few days' rest the use of the part should be commenced and encouraged. If it is a fracture, the limb should be immobilized for a long period—five to eight weeks. Should you treat a fracture as a sprain, you will probably get non-union and permanent loss of function. Should your sprain, on the other hand, be wrongly diagnosed a fracture, you uselessly prolong, by several weeks, the period of disability, and in addition will perhaps produce a stiff joint. What are you to do? The answer now is quite simple—use the X-ray and make a positive diagnosis. Not only in diagnosis but in treatment is the X-ray of wonderful service. In the old days, badly set fractures and consequent permanent deformities, followed by disappointment and litigation, were common. Now you can actually see your bones grow together day by day and be sure that their alignment and relations are correct.

Like the X-ray, tuberculin is a diagnostic agent, which in recent years was introduced by the eminent German, Koch. Its interest to us here is the fact that if injected into a person suffering from tuberculosis it produces a characteristic reaction which identifies the disease. Now tuberculosis of bones and joints frequently develops in people who are infected with the disease elsewhere, and as it often comes on after some trivial blow or accident, the person considers that his trouble was caused by the accident. What really occurs is as follows: The person has circulating in his blood tubercle bacilli which come from some focus in his body, as the lungs, for instance. These germs settle in the blood at the point injured, where the resistance of the tissues is temporarily low, and, taking a new footing, spread the disease. The person, however, attributes his trouble to the insignificant accident, and seeks to recover indemnity. But the tuberculin tests show conclusively that the condition is due, not to accident, but to pre-existing disease, and the claim is proven unfair.

Many other instances of the relation of surgery to accident insurance might be cited, but an array of technical examples seems unnecessary. Surgery is clearly a powerful, though silent, factor in the business of accident insurance, and the advance of surgery means progress for the man who sells the policies.

The Hazardous Nature of Franchise Bonds.

(The Bulletin of the United States Fidelity and Guaranty Co.)

Bonds guaranteeing the compliance with and fulfillment of the terms and conditions of franchises covering a long period of years are extremely hazardous; and especially is this so when the bonds are executed on behalf of individuals or unincor-

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porated bodies. Applications for such bonds are most frequently accompanied by letters from agents, in which they try to impress upon us that the applicants are men or firms of strong financial worth and high standing in the community.

A case we have in mind occurred but a few days ago. One of our principal agencies, a firm in whose judgment and business acumen we have great faith, submitted an application for a bond guaranteeing the terms and conditions of a franchise running for a period somewhat more than a quarter of a century. The applicant was a gentleman of large means and enviable standing in his own and the surrounding communities. His financial strength was such that we would have executed a construction or fidelity bond on his behalf of large magnitude without the least hesitation.

The agent in his letter accompanying the application, after enlarging on the applicant's financial strength and integrity, did not hesitate to say that in writing the bond he felt sure that the company was assuming no liability; that with such financial strength there was not the remotest chance of loss to the company. However, we did not write the bond—fortune's wheel is ever turning. A man of wealth to--day is by no means certain to be a man of wealth to-morrow. In a quarter of a century the applicant might be dead, his wealth dissipated, and, what concerns us most, this company called upon to pay the penalty of the bond.

We cannot impress too strongly upon our agents that the possession of large wealth is not alone sufficient protection to the company to warrant its assuming obligation on franchise bonds of long tenure. Death of the applicant may perhaps leave no one sufficiently interested to carry out the terms of the franchise. Corporations stand in a different light. The control passes from one to another, regardless of the death of its stockholders, and its wealth is held together in a concrete form, subject only to commercial vicissitudes. We therefore look more favorably upon franchise bonds when the application comes from a corporation financially strong, but even then act with the greatest caution.

When applications for such bonds are submitted to the agents their first suggestion should be that the bond contain a provision giving the surety a right to cancel at any time, or suggest that the bond be written for a year, with provision for renewal from period to period by renewal certificates. This enables the surety to continue on the bond so long as the financial strength of the principal warrants, and the surety's liability never covers a period longer than one year. Such action on the part of the agent would not only lessen correspondence, but help the agent to retain the good will of the applicant. Acquaintance with our policy on the subject before submitting the client's application to the home office gives the latter no cause to feel offended when the risk is declined.

Agents should never submit applications for valued clients if they have reason to believe the proffered business will be declined, without first making known to the applicant that the risk will probably be considered undesirable. Confidential treatment will make friends of your clients, and observance of and adherence to the company's policy will command for you their respect and esteem.

1825. THE 1908.
Pennsylvania Fire Insurance Co.
OF PHILADELPHIA.

Cash Capital	$750,000.00
Reinsurance and all Liabilities	4,096,883.14
Surplus	1,615,283.97
Total January 1, 1908	$6,462,117.11

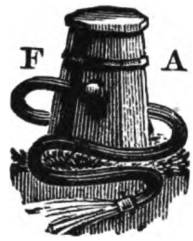
R. DALE BENSON, Pres. W. GARDNER CROWELL, Sec.
JOHN L. THOMSON, Vice-Pres. HAMPTON L. WARNER, Asst. Sec.
WM. J. DAWSON, Sec. Agency Dept.

SAFETY FUND INSURANCE.
NIAGARA
Fire Insurance Company
OFFICE: 185 & 187 BROADWAY. OF NEW YORK.

FIRE ASSOCIATION
1817 OF PHILADELPHIA 1908

Total Assets,	$7,840,675.19
Capital Stock,	750,000.00
Net Surplus,	1,804,021.58

E. C. IRVIN, President.
T. H. CONDERMAN, Vice-President.



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92 William Street, New York City
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65 Kilby Street, Boston, Mass

That New Policy
AND THOSE NEW RATES AND VALUES
turn prospectives into policyholders. Highly liberal policy and values, extremely low premium rates, notable annual dividend record.
MASSACHUSETTS MUTUAL LIFE INSURANCE CO.
SPRINGFIELD, MASS.
INCORPORATED 1851
F. W. SMALLMAN, Manager of Agents for New York City, 1401 Empire Building.

ONLY THE MAN
with a Columbian National License may sell
Massachusetts Non-participatiag Life,
Massachusetts Accident, Health and Disability
Liberal Policies backed by a Large Surplus
Three Salaried Managers and Two General Agents Wanted in Important Centers
THE COLUMBIAN NATIONAL LIFE INSURANCE CO.
Home Office: 150 Federal St., Boston, Mass.

INCORPORATED 1851.
Berkshire Life Insurance Company
OF PITTSFIELD, MASS.
All Policies issued by the Company are subject to the Massachusetts Non-Forfeiture Law.
JAMES W. HULL, Pres. J. M. LEE, Actuary.
THEO. L. ALLEN, Sec. ROBT. H. DAVENPORT, Asst. Sec.
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206 BROADWAY, Corner Fulton Street
Telephone: 8384 and 8385 Cortlandt.

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ARE EASIEST TO SELL

BECAUSE

Yearly dividends have been increased for the last three years, 1906-7-8, at a rate equaled by no other company.
Cash values guaranteed in the new life and endowment policies are equaled by few companies.
Attractive features have been added to standard policy forms.
Liberal terms offered producing agents under the 1908 contracts.

For information, address

GEORGE T. DEXTER
Second Vice-President
The Mutual Life Ins. Co. of New York
34 Nassau Street, New York, N. Y.

Established 1782.

Phoenix Assurance Company, Ltd.,

OF LONDON.

FIRE INSURANCE ONLY. LOSSES PAID, OVER $135,000,000.
Head Office for the United States, 47 Cedar St., N. Y.
A. D. IRVING, Manager LOUIS P. BAYARD, Asst. Manager
A. D. IRVING, JR., Sec.

NOTICE

Insurance Losses and Claims for Damages amicably and satisfactorily Adjusted. Otherwise resisted, defended at Law or in Equity for Companies by

T. F. HANLON

ADJUSTER AND ATTORNEY

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Twenty-five years' experience Member Bar U. S. Supreme Court.
GO ANYWHERE. OPERATE ANYWHERE.

The Connecticut Mutual Life Insurance Company

Stands alone among the American companies of any note, in having repaid to its members, their beneficiaries and estates, in annuities, endowments, death claims, surrender values and dividends, more than it has received from them in premiums. These are the totals:

Received since organization—1846	$249,356,745.45
Repaid as above noted	253,641,382.54
Excess over amount received	4,284,637.09
Assets December 31, 1907	65,003,271.10
Surplus December 31, 1907	2,326,657.25
Insurance in force December 31, 1907	174,716,005.00

President, JOHN M. TAYLOR.

FIREMEN'S

Insurance Company of Newark, N. J.

ORGANIZED 1855

CAPITAL,	$1,000,000.00
ASSETS,	4,701,068.80
SURPLUS TO POLICYHOLDERS,	3,148,371.45

DANIEL H. DUNHAM, Presfdent CHARLES COLYER, Vice-President
A. H. HASSINGER, Secretary

WHITON & MERGES, Agents, . . 73 William Street, New York
LEWIS & FREAR, Agents, . . . 145 Montague Street, Brooklyn
H. W. BEALS, Suburban Agent, . 76 William Street, New York

[FIRE]

German American Insurance Company New York

STATEMENT JANUARY 1, 1908

CAPITAL
$1,500,000
RESERVED FOR ALL OTHER LIABILITIES
7,592,685
NET SURPLUS
4,415,353
ASSETS
13,508,038

1860 48TH YEAR 1908

HOME LIFE INSURANCE COMPANY

OF NEW YORK

GEORGE E. IDE, President

ASSETS, $20,004,853.63. LIABILITIES, $19,235,418.20.
(Including Dividend-Endowment Fund)

Dividend-Endowment Fund (Deferred Dividends)	$1,795,020.00
Net Surplus	769,435.43
Insurance in Force	86,193,296.87

The forty-eighth annual report shows a gain in the amount of insurance in force; that assets were increased nearly $1,000,000, and that over $300,000 was paid to policyholders in dividends.

Can You Sell Life Insurance?

If You Are Confident

that you can sell life insurance if allied with the *right* Company issuing the *right* kind of a policy, and are not satisfied with the success you have attained in the past, try an Equitable contract. You will at once discover—

1st: That the State indorsement of the Standard Policy convinces the most skeptical applicant that its provisions are absolutely in his interest.

2d: That when it is further demonstrated that the Equitable is the strongest Company in existence, the average man will prefer it to any other.

3d: That the prompt payment of all just death claims by the Equitable (which is the chief function of any life insurance company) will enable you to secure business which might otherwise go elsewhere.

Equitable representatives are making money.

For information regarding an agency, address
GEORGE T. WILSON, 2D VICE-PRESIDENT

The Equitable Life Assurance Society

OF THE UNITED STATES
120 BROADWAY, NEW YORK CITY

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NATIONAL LIFE INSURANCE CO.

of the United States of America

CHICAGO

ESTABLISHED 1868

ALBERT M. JOHNSON, President
ROBERT E. SACKETT, Vice-President
CHARLES B. SHEDD, Treasurer
ROBERT D. LAY, Secretary

RECORD OF 1907

Insurance in Force December 31st. -	$50,066,932.77
Gain in Apportioned Surplus in 1907, -	105,734.09
Gain in Assets. - - - - - - - - -	1,037,668.19
Excess of Income over Disbursements,	1,093,023.43

CHICAGO'S OLDEST AND STRONGEST COMPANY

ATTRACTIVE CONTRACTS

SECURITY MUTUAL LIFE
Binghamton, N. Y.

Insurance Co. of North America,

232 WALNUT STREET, PHILADELPHIA.
FOUNDED 1792.

Assets, January 1, 1907		$10,748,864
LIABILITIES—Reserved for Reinsurance and all other claims	$6,705,870	
Capital Stock	3,000,000	
Surplus over all Liabilities	1,042,994	$10,748,864

Agents in all the principal towns and cities.

CHARLES PLATT, President.
EUGENE L. ELLISON, Vice-President.
BENJAMIN RUSH, Second Vice-President.
GREVILLE E. FRYER, Secretary and Treasurer.
T. HOUARD WRIGHT, Assistant Secretary.
HENRY W. FARNUM, Marine Secretary.
JOHN O. PLATT, Assistant Secretary.

Offices in New York: Fire, 51 William St.; Marine, 63 Wall St.

SAMUEL GANS, President
LEOPOLD GANS, Vice-Pres. & Gen'l Mgr.

SAMUEL GANS CO.

186-188 WOOSTER ST., N. Y.
New York Chicago Atlanta

Renovators of Fire and Marine Salvages

Telephone: 580 Spring

Stocks handled at lowest percentage consistent with proper results, accompanied always with Cash Guarantee. Our methods fortify adjusters in advance of closing loss.

Always telegraph or telephone at our expense.

Expert advice cheerfully given.

EDWIN W. WILE, Resident Manager
Home Office: Chicago, 207-209 E. Madison St.

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BY

The Manhattan Life

Insurance Co.

Live, energetic men for some excellent territory. Exclusive and liberal contracts will be made with the proper parties.

The Armstrong Committee found no questionable methods in The Manhattan Life Insurance Company.

Address

W. B. LANE, Vice-Pres.

66 BROADWAY, NEW YORK

INCORPORATED 1799.

Providence Washington Insurance Company.

PROVIDENCE, R. I.

SUN Insurance Office OF LONDON

FOUNDED 1710

UNITED STATES BRANCH:
54 PINE STREET, NEW YORK

WESTERN DEPARTMENT:
171 LA SALLE ST., CHICAGO

PACIFIC DEPARTMENT:
N. E. Cor. Sansome and Sacramento Sts.
SAN FRANCISCO, CAL.

The Preferred Accident Insurance Company

of New York

SUPERIOR POLICIES

KIMBALL C. ATWOOD, President,
290-292 Broadway, New York.

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North British & Mercantile

INSURANCE COMPANY,

OF LONDON AND EDINBURGH.

Established 1809.

OFFICE:

76 WILLIAM STREET,

New York City.

Northern Assurance Company,

OF LONDON, ENGLAND.

EASTERN AND SOUTHERN DEPARTMENTS,

38 PINE STREET, NEW YORK.

GEORGE W. BABB, Jr., Manager. T. A. RALSTON, Sub-Manager.

COMMERCIAL UNION ASSURANCE CO

LIMITED,

OF LONDON.

OFFICE:

Cor. Pine & William Sts., New York

THE Fidelity and Casualty Company,

97-103 CEDAR STREET, NEW YORK CITY.

Assets, $7,537,429.91.

Capital and Surplus, $2,013,409.24.

Losses Paid to January 1, 1908, $26,629,131.90.

This Company grants Insurances as follows:

Bonds of Suretyship for persons in positions of trust.
Fidelity Bonds, Burglary, Plate Glass,
Steam Boiler, Flywheel, Employers',
Public, Teams, Workmen's Collective,
Elevator and General Liability;
Personal Accident, Health
Physicians' Liability and
Bonded Attorneys' List.

OFFICERS:

GEORGE F. SEWARD, President.
ROBERT J. HILLAS, Vice-President and Secretary.
HENRY CROSSLEY, Assistant Secretary.
FRANK E. LAW, Second Assistant Secretary.
GEORGE W. ALLEN, Third Assistant Secretary

National Life Insurance Co.

MONTPELIER, VERMONT.

Established in 1850. Operating in 36 States.

JOSEPH A. DE BOER, President. H. M. CUTLER, Treasurer.
JAMES T. PHELPS, Vice-President. A. B. BISBEE, Medical Director.
JAMES B. ESTEE, 2d Vice-President. C. E. MOULTON, Actuary.
OSMAN D. CLARK, Secretary. F. A. HOWLAND, Counsel.

This Company held January 1, 1908, and gained during the past decade:

ASSETS	$40,354,241.29	Gain, 172 per cent
SURPLUS	4,539,688.47	Gain, 149 per cent.
INSURANCE	153,467,472.00	Gain, 100 per cent.

Its life, term and endowment contracts are liberal and attractive.

J. F. MAKLEY, Gen. Mgr., 149 Broadway, New York, N. Y.
J. V. ALEXANDER, Gen. Mgr., 1134-36 Granite Bldg., Rochester, N. Y.
M. H. MULLENNEAUX, Manager, 119 State St., Albany, N. Y.
A. H. GSELLER, Manager, 9 Clinton St., Newark, N. J.

THE

MUTUAL

Life Insurance Company of Boston, Mass.

Insurance in Force, December 31, 1907, Over $459,000,000

STEPHEN H. RHODES, President.

ROLAND O. LAMB, Vice-Pres.; ARNOLD A. RAND, 2d Vice-Pres.; ROBERT K. EATON, Sup't of Agencies; WALTON L. CROCKER, Secretary; WM. S. SMITH, Actuary; GEORGE L. STIMMEL, General Agent Metropolitan District.

St. Paul Building, New York.

SURETY ON BONDS

Home Office Building, New York.

American Surety Company of New York

100 Broadway, - New York

Capital, $2,500,000

Bonds issued for Employees, Administrators, Guardians, and in Judicial Proceedings.

STATEMENT DECEMBER 31, 1907.

Resources (including Capital, $2,500,000)..... $6,365,342.47
Liabilities (including Reserve, $1,126,946.11).... 1,746,329.08

HENRY D. LYMAN, *President.* W. S. JOHNSTON, *Vice-President.*

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THE

PENN MUTUAL LIFE

OF PHILADELPHIA

HAS FURNISHED

PERFECT PROTECTION AT PROPER RATES

For 60 Years

Our agents are representative citizens of their respective communities.

Organized 1871

Life Insurance Company of Virginia

HOME OFFICE, RICHMOND, VIRGINIA

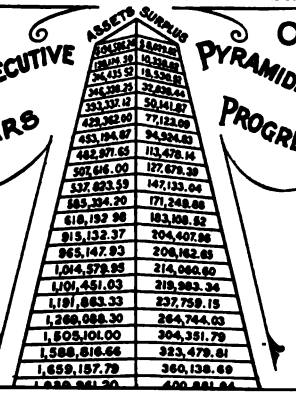
J. G. WALKER, President.
T. WM. PEMBERTON, 1st Vice-Pres. W. L. T. ROGERSON, Secretary.

The PIONEER Southern Industrial Life Insurance Company.
The OLDEST Southern Life Insurance Company.
The LARGEST Southern Life Insurance Company.
The most approved forms of Life, Endowment and Industrial Policies issued on favorable terms.

Assets ..... OVER $4,000,000 00
Insurance in force ..... OVER $61,000,000.00
Total payments to policyholders since organization ..... OVER $8,500,000.00

"THE COMPANY WITH THE PYRAMID"

38 CONSECUTIVE YEARS OF PYRAMIDAL PROGRESS



NEW HAMPSHIRE FIRE INSURANCE CO.

MANCHESTER, N. H.

2,561,210.46	624,347.45
2,837,318.76	840,940.17
3,474,663.86	1,017,832.67
3,[illegible]	[illegible]
3,67[illegible]	1,193,[illegible].08
3,911,743.34	1,199,685.49
4,069,140.67	1,252,267.06
4,310,836.19	1,257,038.25
4,500,404.12	1,322,978.14

TOTAL LIABILITIES $2,077,425.98
POLICYHOLDERS' SURPLUS $2,422,978.14

CHARTERED 1866.

HARTFORD LIFE

Insurance Company of Connecticut

GEO. E. KEENEY, President.

ALL THAT IS BEST IN LIFE CONTRACTS
EITHER TO BUY OR SELL

$30,000,000 Paid Policyholders and their Beneficiaries.

The Agricultural Insurance Company of Watertown, N. Y.

ESTABLISHED 1853.

Assets, January 1, 1908	$2,717,477.10
Total Liabilities, except Capital	1,705,859.80
Joint Stock Capital	500,000.00

GERMANIA

FIRE INSURANCE COMPANY
NEW YORK.
ORGANIZED 1859.

Cash Capital	$1,000,000.00
Assets	5,185,649.51
Net Surplus	949,260.99

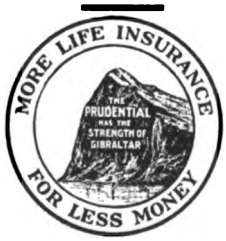
HEAD OFFICE
Cor. William and Cedar Streets.

"New Policy is the success of the age. We have no competition. The Guarantees Talk."

That's the way PRUDENTIAL FIELD MANAGERS are talking about

The NEW Low-Cost Life Insurance Policy of

The Prudential



The Greatest Success in Life Insurance!

We want Agents.
We want Managers.
We want YOU!

THE PRUDENTIAL INSURANCE COMPANY OF AMERICA
Incorporated as a Stock Company by the State of New Jersey.
JOHN F. DRYDEN, President Home Office, Newark, N. J.

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The Weekly Underwriter:

AN INSURANCE NEWSPAPER.

ESTABLISHED 1859.

VOL. LXXIX. NEW YORK, SATURDAY, OCTOBER 10, 1908. No. 15.

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CHARLES A. JENNEY, President and Treasurer. L. ALEXANDER MACK, Secretary.

THE fire underwriters of the field forces representing the business in the Northwest, who meet in Chicago annually for a comparison of opinions and a discussion of experiences, had a gathering large in attendance this week, and replete, as are all these conferences, with proceedings of interest. The program this year was enlivened with a little outside assistance from a Congressman, who discoursed on the Panama Canal, and an architect, who talked about the intimate relation between fire insurance and architecture, or more properly, better building construction. All the papers from contributing underwriters, which we report, are good, and particular interest will be taken by our readers in the observations of that admirable fire insurance philosopher, Manager Richards, of the North British and Mercantile company. He provides his business brethren with much food for thought in what he says of the law of average, the operation of the "misnamed" co-insurance clause, and the enforcement of joint liability upon an insured property owner, when fire originates on his own premises. A day with the Fire Underwriters' Association of the Northwest is an education. It gives us the advance thought in the business.

THE unpopularity in Texas of the Robertson life insurance investment law of that State has induced one of the political parties there to make opposition to the retention of the law a campaign issue, and has driven its friends to an attempt to save it by proposing to amend some of the lesser of its objectionable features. If these defenders harbored a hope that a modification of the law would placate the companies which have withdrawn from the State, it has rudely been dispelled by the adoption of a resolution by the Association of Life Insurance Presidents that nothing short of the repeal of the entire law will prevail upon the companies to return. The evil effects of the law are strikingly set forth in a report made to the association, which we reprint, and which shows that the direct results for the year following the adoption of the law have been a loss to the State of $145,000 in taxes, a loss of $15,000,000 insurance for the protection of families in case of death, and a falling off in new investments by life insurance companies of over $2,000,000 as compared with the previous year. A further loss, to which the report does not allude, falls upon several thousand Texas business men, who as local agents of the companies now outside earned living incomes selling their policies. Commissioner Love's special pleading at the Detroit convention will not overcome the influence of these disagreeable facts upon the citizens of the Lone Star State.

THE president of the New York Life insurance company has the courage of his convictions, and is not restrained from expressing them because a political campaign is on and candidates for office, who may be successful, do not like them. He is out in the open almost alone at this time, striving to direct public opinion to a correct understanding of the life insurance legislation that has been placed on the statute books by haste, blindness and prejudice. In his recent address at Frontenac, from which we print copious extracts, he goes over the whole subject, and sheds a flood of light on the inaccuracies and absurdities of specified features of the new laws. President Kingsley has also been writing an instructive paper on "life insurance reform" for the Philadelphia *Ledger*. What he says of the declaration of Governor Hughes that "we want to see from one end of the country to the other every hurdle and obstacle in the way of any man who is trying to do his best removed; while at the same time we propose that he will intelligently labor and faithfully consider the real demands of justice," deserves to be repeated here:

> Amen! and amen! When this is done life insurance men will have no cause for complaint—proper principles of supervision will then have vindicated themselves and life insurance will prosper. No group of men in any business anywhere are more honestly and earnestly trying to do their best than life insurance managers and the men who constitute the great body of life insurance agents. On the other hand, no group of men have now or ever had placed before them such "hurdles and obstacles" in the way of their advancement as the State of New York has erected in the path over which its own life companies must go if progress is made, and the path over which, to some extent, the companies of all the other States must go if material progress is made. These hurdles and obstacles in nearly every instance represent a violation of principle, and their existence to some degree is a menace to every other line of business. The lack of information, the hysteria and false philosophy which wrote and passed some of the Armstrong laws may tomorrow turn its attention to some other line of business and erect a new line of hurdles and obstacles.

THE leading American university announces a course of instruction during the current academic year in the several branches of insurance, in connection with its newly organized Graduate School of Business Administration. Harvard undergraduates under certain limitations, and the graduates of other approved colleges and schools will be admitted to any of the courses of this school, without examination, as regular students, and candidates for the degree of Master in Business Administration, but non-graduates of such colleges and schools, if persons of suitable age and business experience, may be admitted by permission of the Dean, although they cannot be candidates for the degree. It will be seen therefore that the Harvard insurance course will practically be open to any proper person aspiring for a school education in insurance. We print elsewhere the announcement of the work undertaken. It will consist of lectures, prescribed

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reading and classroom discussion. Mr. William Bliss Medlicott will have charge of the fire insurance course, Mr. Herbert Beekman Dow of the life insurance course, and there will be courses by experts in fire insurance engineering, marine, accident, employers' liability and surety-bonding insurance. The several specialties will be elective, but students will have the advantage, if they desire, of incidental instruction in other branches of business administration, such as accounting and auditing, commercial law, banking and finance, industrial organization and transportation. The suggestion is made that an administrative officer engaged in the business of fire insurance can effectively grasp many essential parts of his business only by a knowledge of the mechanical, chemical or physical phenomena and laws involved, while a knowledge of mathematics and of business principles is material in the management of life insurance. Instruction in insurance is already a part of the curriculum of a number of American colleges, and its adoption at Harvard University signalizes its attainment of high water mark as a study. It will not take the place of practical experience in making an efficient underwriter, but every man who enters the business grounded in the theory of insurance will be much the better for it.

Facts and Opinions.

Changes in the official staff of the **Mutual Savings Life Insurance Society** of New York took place this week, President William A. Fricke and the vice presidents, the Hon. Julius E. Roehr, Rev. L. B. Plumer and Hon. Elmer H. Dearth, as well as Assistant Secretary A. L. Monaghan, having resigned those offices and retired from official connection with the company.

As a result of the death of Grover Cleveland, its chairman and counsel, **the Association of Life Insurance Presidents,** at a meeting at No. 1 Madison avenue October 2, made changes in its plan of organization and appointed Robert Lynn Cox its executive officer. Following out the recommendation of its executive committee, the association voted to amend its constitution by abolishing the office of chairman, which had been held by Mr. Cleveland since its organization in December, 1906, and also the position of secretary held by Mr. Cox. The new office of general counsel and manager was thereupon created and Mr. Cox appointed to fill it. In the place of a permanent chairman, it was decided to have a temporary presiding officer for each meeting, to be chosen from among the members of the association. Mr. Cox, the new general counsel and manager of the association, was a member of the New York Assembly in 1903, 1904, 1905 and 1906, representing a Buffalo district. He served in 1905 on the joint legislative committee to investigate the life insurance companies of New York, and in 1906 on the standing Insurance Committee of the Assembly. Mr. Cox has been connected with the Association of Life Insurance Presidents since February, 1907, having been its first secretary. He was born in Illinois and is forty-three years old. He was graduated from the law department of the University of Buffalo, and was at the head of the law firm of Cox, Kimball & Stowe, of Buffalo, at the time his connection with the Association of Life Insurance Presidents began. At the same meeting, in connection with the plan for enlarging the work of the association, the executive committee's recommendation to create a new position, to be filled by a technical insurance man, was adopted. The committee was authorized to make the appointment. The idea is to obtain the services of a man who not only is familiar with the actuarial side of the insurance business, but who also is experienced in general company work. Several men answering these qualifications have been under consideration for some time, and it is expected that an appointment will be announced within a few days.

The New York daily papers are taking **straw votes on the Governorship,** which show that Mr. Hughes is running behind Mr. Taft in the State very perceptibly. The New York correspondent of the *Insurance Field* writes:

The political situation in respect to the candidacy of Governor Hughes is involved in doubt. Unquestionably the Governor will be liberally scratched by Republicans, but he will just as surely poll many Democratic votes on the strength of his anti-gambling record, notwithstanding his opponent is understood to stand with him in that particular. The Democratic candidate is a man of the highest repute, and the feeling is general that he would be less influenced by prejudice in insurance matters than his opponent. The opinion is freely expressed that Hughes and Bryan will suffer in the trading of votes. Tammany cares nothing for Bryan and will gladly sacrifice him for control of the State government, while the Republican machine, which will have little influence with the executive in any event, would not, it is believed, be inconsolable in case of the Governor's defeat.

The following is from the editorial columns of the *Insurance Monitor:*

These are but a few of the arraignments which the agents could bring against the present Governor of New York as reasons why he should not receive popular support. They are directed not against his honesty of purpose and high integrity, but against his narrowness of mind and obstinacy of purpose that disqualify him for the high position. His forte is that of an inquisitor, and he should be relegated back to the practice of a profession for which he is specially qualified.

The Hartford *Times,* which is a Democratic paper, although anti-Bryan, and hitherto an admirer of Governor Hughes, says:

Governor Hughes certainly "slipped a cog" in his speech at St. Paul, when he said: "Everybody who wants to abuse public franchise and escape regulation by the State, everybody who wants to escape the clearly expressed principles of the Constitution, everybody, in fact, who wants government by 'pull' instead of government by principle, and the extraordinary thing is that the forces I refer to are grouped under the Democratic banner." The Governor cannot be re-elected without a good many Democratic votes. He may discover on election night that enough votes have been lost to him by this one utterance to make him the ex-Governor instead of the next Governor of New York on January 1, 1909.

The courses in **insurance** to be taught **at Harvard University,** to which allusion is made on our editorial page, are thus outlined in a circular issued by the Dean of the Graduate School of Business Administration, to whom application can be made for particulars as to terms of admission and tuition:

In fire insurance and allied branches of the insurance business the lectures will treat of the history and general conduct of the business; the relation of the underwriter, or insurance company, to the State, the assured and the agency force; the work of the rate making organization, with explanation of schedules, rules and forms; the necessary qualifications and duties of the agent or broker; an outline of insurance company organization, practice and routine; the classification of risks, and the different methods of determining the same; the rules and forms of underwriting with explanation of coinsurance, reinsurance and other specific terms provided for in the contract; the computation of reserves and statistical results for insurance accounting; and the appraisal, adjustment and settlement of losses. The course will be conducted by lectures, prescribed reading and class room discussion.

The life insurance course is designed for students who desire a general knowledge of the theory and practice of the life insurance business as well as for those who intend to specialize in the subject. The lectures will treat of the history of life insurance; the scientific basis of mortality tables and their application in computing premiums, annuity rates and policy values involving one or more lives; the established practice in regard to company management, organization of agency force and medical selection; the usual method of providing for expenses and the equitable distribution of surplus; a survey of industrial, fraternal and assessment insurance; the proper relation of the different kinds of life insurance to the individual; and the extent to which the State exercises control over insurance corporations as regards taxation and supervision.

Arrangements have been made by Fire Commissioner Hayes of **New York city** for the installation in the Plaza Exchange of the New York Telephone Company of a **duplicate** of the **switchboard** used at fire headquarters on Sixty-

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seventh street for the sending of **fire alarms** to the various engine companies in New York city proper. The present fire headquarters is a building of the old type, and has often been the subject of criticism on the part of the New York Board of Fire Underwriters because it housed the fire alarm system of that part of the city on Manhattan Island. It has been argued that the companies would be unable to respond to alarms in case anything happened to fire headquarters. The switchboard to be installed in the Plaza Exchange is an exact duplicate of the present one, so that in the event of the destruction of the present headquarters, alarms could be rung in from the telephone building by the headquarters' operators without confusion. The installation will cost about $1,000. The new switchboard will be connected with every engine and truck house in the city, with the high pressure system, the police boxes and the telephones about the city, but will not be connected with the fire alarm boxes. New York city will not therefore be in the unpleasant situation of Paris when a fire burned out the central telephone station recently, thereby throwing the fire department into utter confusion.

In the case of the Northwestern Fire and Marine insurance company vs. Connecticut Fire insurance company of Hartford, Conn., decided recently by the Supreme Court of Minnesota and reported in *Bradstreet's*, it appeared that the plaintiff agreed in writing with another insurance company to "cede" to the defendant its first **surplus for reinsurance,** to become binding at 12 o'clock noon of the day on which the report should be mailed to the defendant, as evidenced by its postmark. Subsequently the parties at intervals used a "binder." On a certain day the plaintiff issued a policy of $10,000, "ceded" a part to the defendant, made entry on its books and issued a "binder." This it did not mail until the following day and while the property insured was being destroyed by fire. The defendant rejected the risk, but subsequently retained the premium sent by the plaintiff as part of a larger check in settlement of current accounts. The court held that the retention of the premium after the express rejection of the policy did not estop the defendant from asserting that it was not in force, and that the evidence of the custom among insurance companies to obligate an insurance company from the date of the issuance of a binder was inadmissible because it contradicted the express terms of the written contract.

The matter of **agents' commissions in the South** appears to be settled by a letter written by Secretary H. K. Miller of the Eastern Union to L. W. Childery, of Norfolk, Va., chairman of the committee of the Virginia Local Agents' Association, on the commission question. In this Mr. Miller definitely declines, on behalf of the companies, to reopen the matter of an increase in compensation, saying that further conferences could not result in any benefit because of the strong views held by many of the companies. Mr. Miller says:

When this subject of the change of remuneration first came up it was of course considered by the companies which are members of the Eastern Union, but as the South Eastern Underwriters' Association has jurisdiction, and because, also, there is a rule of that association controlling commissions to be paid, the companies of the Eastern Union felt their influence must be used through the South Eastern Association, and it was so used and resulted in an unwillingness to change the present form of compensation. There were many reasons that brought this result, and to discuss the matter again would cause the companies to enter into long conferences with the agents, which could not result in any benefit because of the strong views held by the companies, and might possibly cause an irritation that all would wish to avoid.

The estimated **loss by fire in the United States and Canada** in the month of September, according to the compiler of the *Journal of Commerce*, was $21,431,400. The comparison of the losses of 1906, 1907 and 1908 for the first nine months of the year is as follows:

	1906.	1907.	1908.
January	$17,723,800	$24,064,900	$29,582,000
February	18,949,350	19,876,600	18,489,700
March	18,727,750	20,559,700	16,723,300
April	292,501,150	21,925,900	26,009,000
May	16,512,850	16,286,300	15,181,150
June	13,950,650	14,765,000	19,512,000
July	12,428,050	18,240,150	15,323,750
August	9,641,600	20,248,000	23,123,000
September	10,852,550	11,440,400	21,431,400
Totals	$410,587,750	$167,406,950	$186,035,900

The largest individual loss was in the burning of Chisholm, Minn., $1,700,000. Commenting on the report our contemporary says:

It is readily to be seen that 1908 so far has been a bad year for the fire insurance interests, and that few fire companies will make any net underwriting profit in 1908, even if the remaining months should expire with light losses.

The **conflagration hazard of Norfolk, Va.,** is the subject of a recent report of the engineers of the committee on fire prevention of the National Board of Fire Underwriters. As regards the water system, the street mains are stated to be of inadequate size, while many of them are believed to be badly corroded. There is but one pumping station, and that has a wooden roof, and the hydrants are poorly distributed. Structural conditions are very poor, because of poor bricks being used, 8 inch party walls being allowed in upper stories, very light timbering and frequency of sheathing. The streets are narrow and the exposed openings are generally unprotected. The topography of the city is such that fire on the water front would very likely be swept by coast storms toward the congested district. The conflagration hazard is on the whole bad. The first report made by the old Committee of Twenty of the National Board was on the situation in Norfolk, and in that report the conditions then existing in the city were condemned. The present report shows that very little has been done since then toward lessening the conflagration hazard.

The San Francisco *Coast Review* is solicitous as to the fate of one **Gage E. Tarbell,** who was quite conspicuous in the life insurance business some years ago. It should know that Mr. Tarbell is now a prosperous real estate broker and hustles in the advertisement departments of the daily newspapers in the old, old way. Our contemporary says:

We hear nothing these days of the erstwhile famous Gage Tarbell. This man, remarkable for untiring energy and extreme ingenuity, formerly traveled about the country in a special car, with a retinue of friends and with an amanuensis who was paid $10,000 salary. His salary was $60,000. Tarbell was a jollier, a driver, a thundering after dinner speaker, an expert director of banquets and a personal writer himself. When in California, during his last visit, he helped whoop things up at several public dinners which brought together hundreds of agents to be hypnotized and Tarbellized. At the swellest banquet the "climax was capped" by the unexpected presentation to Mr. Tarbell, after his stirring talk, of a handsome silver-gold service. It was announced this was the gift of admiring field men who had been greatly benefited by inoculation with the virus Tarbellitis. Mr. Tarbell was properly affected and responded in broken New York accents. We have since been told that he was not so surprised by this handsome gift as he professed to be. Our cruel informer says that not only did Mr. Tarbell know all about the costly service, but that he himself had paid practically all the cost thereof.

Following out the policy of the new management of disposing of the company's buildings in the various large cities of the country which as real estate investments have not been generally profitable, the **Equitable Life Assurance Society** has **sold** its Denver building for $1,400,000 to William Barth. When the reappraisement of the company's real estate holdings was made some time ago the **Denver building** was val-

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ued at $1,150,000, so it will be seen that the company secured a good price for the structure. Already the St. Louis building has been leased for ninety-nine years at a good figure, and the Memphis and Des Moines buildings have likewise been disposed of to advantage. The Des Moines building was sold to the Equitable Life of Des Moines, which is using it for a home office. The Equitable also sold this week its entire holdings of the stock of the First National Bank of Chicago, consisting of 250 shares, at $400 per share, which transaction swelled the surplus account of the society by $1,000,000. This stock cost the company originally $305 per share.

A new method of rating sprinklered risks has been evolved by Manager Glidden of the Chicago Board of Underwriters, who has been working up the matter for over a year. If satisfactory, the new method may in time reach the dignity of a new sprinklered schedule. The method in vogue at present in Chicago of rating the risk as if unsprinklered and then making allowance for the use of sprinklers has not proved entirely satisfactory, as it did not suit the rate as closely to the hazard as seemed desirable. The new way of rating produces lower rates, except on very inferior risks. The special committee on sprinklered risks has approved the plan, and the executive committee then passed it on to the classification committee. Sprinklered risks outside of the congested district will be rated with special attention to construction, occupancy, protection and exposure. Owing to the conflagration hazard in the congested district it was not deemed advisable to try to apply the new method there.

In the Circuit Court at Madison, Wis., on Tuesday Judge Lueck denied the application of James A. Abbott for an injunction in the Insurance Commissioner election. Mr. Abbott sought to restrain Secretary of State Frear from placing the name of **George E. Beedle** on the official ballot as Republican nominee for Insurance Commissioner. The denial of the application for an injunction by Judge Lueck ends the contest for the office. Mr. Beebe goes on the ballot as the Republican candidate for the office, his plurality being fixed officially at forty-eight. Judge Lueck denied the petition on the grounds that Abbott had not made a sufficiently strong showing in the petition, and that the general allegation was insufficient to warrant the issue of the injunction. The judge said he deemed it not to be proper application of the discretion of the court to use the injunction for the purpose asked under the circumstances.

The **brokers** of New York City are still hot after that 15 per cent. **commission** that they had previous to the San Francisco fire, and are leaving no stone unturned for a restoration of the old rate in the congested district. A meeting was held at the Down Town Club on Tuesday, at which a representative committee was appointed, with P. J. Mosenthal as chairman. A resolution was adopted that signers of the recent petition to the New York Fire Insurance Exchange be enrolled as members of the Insurance Brokers' Association, and that all other qualified brokers be invited to join. The commission question is expected to come up before the Exchange meeting on October 13, and previous to that time the committee will try to find out how the various companies stand in the matter. The reduction of rates in the district protected by the new high pressure sysem was also advocated at the meeting.

At a well attended meeting in the rooms of the Chicago Board of Underwriters on Tuesday the organization of the **Illinois Fire Prevention Association** was accomplished, and the following officers elected: President, R. M. Bennett, New York Underwriters; vice president, M. L. C. Funkhouser, Farmers and Merchants; secretary and treasurer, Guy A. Richards, North British; executive committee, E. C. Bliven, chairman, and W. B. and W. G. Albright, J. G. S. Best, A. R. McKinney, S. D. Andrus and N. E. Briggs. Officers and members of the Ohio and Missouri associations told at the meeting of the great benefit accomplished by their respective organizations. Talks along similar lines were also made by Chairman Jones, of the waterworks committee of the Ohio association; George H. Bell, of the North British, a former Ohio president; S. E. Cate, of the Missouri association, and others.

An Austin, Tex., dispatch says that **Insurance Commissioner Love** has "taken the first step toward enforcing the collection of **unpaid taxes** by the twenty-one life insurance companies that withdrew from Texas last July on account of the Robertson insurance law." The dispatch adds:

The Commissioner has addressed a communication to the Attorney General calling attention to the matter. He declares that these companies owe a State tax for the entire year 1907, as the taxes paid by these companies in January, 1907, were for the previous year. Mr. Love requests that the Attorney General take such steps as the law requires to collect these taxes; also for penalties against these companies for failure to pay the tax, the penalty being $5,000 against each company. Approximately $200,000 in taxes is claimed as due the State by the insurance companies.

It is also announced that the Commissioner has declared in favor of the codification of the insurance and banking laws of the State.

Fire insurance companies operating in Tennessee and Kentucky propose to adopt as a defensive measure a special **"night rider" clause** to attach to policies on tobacco that may be intended to protect them against this kind of incendiarism. The following is the clause:

It is mutually understood and agreed by and between the assured and this company, and a part of the consideration for the issuance of this policy, and it is accepted upon the express condition that this company shall not be liable for loss by fire caused directly or indirectly by invasion, riot, commotion or by organized or unorganized bodies of men or incendiaries commonly known as "night riders." In such event the total amount that can be recovered of this company hereunder shall not exceed the unearned premium on this policy, which unearned premium is hereby agreed and fixed as liquidated damages in full of any and all recovery hereunder.

At the recent meeting of the **Western Union** the **commission rule** was amended to suit conditions at St. Paul, where a Union company was paying overriding commissions on business of other agents to a person ineligible to membership in the Union. The commission rule was amended by inserting "overriding commissions on the business of other agents shall not be paid to anyone ineligible to membership in the Union, as prescribed in the first section of the original compact as amended March 21, 1884, and as a representative of the company paying such additional compensation." Any arrangements contrary to this are to be discontinued by January 1, 1909.

Does dyspepsia shorten life? The editor of London *Business* doubts it, and remarks:

Carlyle suffered agonies from it for a period of over sixty years, and yet lived to the age of eighty-six. It was brought about by long fasts and irregular meals, and clutched him with a cruelty equal to that which had driven Coleridge and De Quincey to opium. It was as if a rat were always gnawing at the pit of his stomach. The victim of this painful complaint consulted a doctor, who advised him to give up smoking. "Gave it up," he wrote, "and found I might as well have poured my sorrows into the long hairy ear of the first jackass I came upon as of this select medical man." Carlyle held tobacco one of the divinest benefits that had come to the human race, and declared that he could never think of this miraculous blessing from God without being overwhelmed by a tenderness for which he could find no adequate expression.

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At a recent meeting of fire underwriters in Kentucky Insurance Commissioner Bell of that State took a stand in favor of **Federal supervision of insurance.** The Louisville *Courier-Journal* attacked his position strongly, and Mr. Bell has answered in a long article insisting that the Federal Government, rather than the States, should supervise the activities of insurance companies. He claims that it would result in better and stronger companies, uniformly taxed and governed, and would give the public better protection with a materially reduced cost. The trouble with Mr. Bell's proposition is "State rights," which the States will not abandon.

A conference of companies interested in certain losses in the **Chisholm conflagration** in Minnesota is to be held to consider the validity of the action of their agents. It is reported that on the afternoon of September 5, when the forest fires were at the limits of the town, and there was an almost absolute certainty that the entire community would be wiped out, a number of the local agents were importuned to place insurance on various unprotected properties. Some agents yielded, but did not even have time to issue policies, binding the companies by a written or verbal agreement.

The recent loss on the **sprinklered risk of the May Clothing Company** at Denver, originally estimated at $500, has been adjusted at nearly $23,000. Fire started in a small room in the basement of the fireproof building to which sweepings are carried from the various floors through a chute. There are 2,500 sprinkler heads in the building, but the one needed failed to open. Investigation after the fire showed that it had fused in such a manner as to clog the pipe. Heat went up the chute to the fourth floor, where a sprinkler was opened, the damage being done chiefly by water and smoke.

The smoking of **cigarettes** by workmen employed sorting rags in the shop of Rubin Brothers on April 12 last was the **cause** of the **Chelsea, Mass., fire,** according to the report Judge Cutler of the Chelsea Police Court rendered on Saturday last on an inquest. The conflagration was characterized as being a "natural and obvious consequence" of "wanton and gross negligence" on the part of Israel Smulsky, the foreman of the rag shop, in permitting the men to smoke while working on such inflammable material.

The president of the National Association of Life Underwriters reports several **new associations in process of organization** in the Northwest. The Washington Life Underwriters' Association has been formed at Seattle, and is now seeking affiliation with the National Association, while organizations are proposed at Spokane and Helena. The Montana Insurance Commissioner cordially approves the plan of the organization, holding that the association should be of service to him in securing desirable legislation.

The North British and Mercantile has issued a novel **political atlas,** being a compendium of facts and figures, platforms, biographies and portraits of the men in the national eye at the present time, as well as a summarized history of previous campaigns, with the photos of former Presidents. Statistics of the electoral vote for each President since 1789 are an interesting feature of the atlas. Rand & McNally are the publishers.

The failure of the Western Union at its recent meeting to pass on the liberal **dwelling forms** of which complaint has been made is expected to increase the number of such forms. The committee reported that while the practice of waiving certain standard provisions and using dangerously liberal clauses was to be deprecated, any effort to secure uniformity of practice at this time was regarded as inexpedient.

The **National Life of the U. S. A.** has been licensed to do business in Texas. It withdrew from that State on account of the passage of the Robertson deposit law, but is now making practically all its investments in first mortgages on farms, and has invested $109,075 in Texas since January 1. At the beginning of the year the company had $1,157,000 of insurance in force in the State.

The **Royal Canadian Underwriters,** an underwriting syndicate comprising the Anglo-American Fire of Montreal, the Montreal Canada Fire and the Ontario Fire, which together have combined assets of about $1,000,000, **will write surplus lines** throughout the United States, and have appointed Ward & Winship, of 56 Maiden lane, New York city, as representatives for the United States.

Indiana has passed a county **local option bill** which is expected to increase the moral hazard on saloons in the new territory which will now be affected. Companies have paid considerable attention to this question of the undesirability of saloon risks in territory from which they soon are to be ousted by law, and the business has been watched with great care.

The Underwriters' Club of **Springfield, Ill.,** has disbanded, which tends to increase the difficulties in that city. The club blames the Illinois State Board for not helping it out on its troubles with members accused of doing business with non-boarders, but the State Board was hampered by present and prospective litigation.

The **American Assurance** of Philadelphia has issued a particularly neat **souvenir album** containing photos of its officers and department heads; also pictures inside and out of its home office building at Thirteenth and Spring Garden streets, Philadelphia. The company was ten years old last March.

The celebration of the fifteenth **anniversary** of the admission of the **Union Central Life** of Cincinnati to Massachusetts was celebrated on Saturday last by a dinner which Manager Elmer E. Silver, of Boston, tendered his agency force. President Jesse R. Clark was the guest of honor.

In addition to the States already announced whose legislatures will hold sessions next year **Ohio** should be named. Nominally the Legislature of that State meets biennially, and the present Legislature held its first session this year. An adjournment was taken to January, 1909.

The new **governing committee of the Western Union** was organized on Tuesday by the election of H. C. Eddy, of the Commercial Union, as chairman for the third term, and T. E. Gallagher, of the Ætna, as vice chairman.

Fires have been unusually numerous and heavy **in Iowa** recently, several fires, with a total loss of $160,000 and insurance of $70,000, occurring within a few days.

The **Standard Mutual Fire of Texas,** now in the hands of a receiver, has $673.72 on hand with nearly 6,000 claimants asking for a share.

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Personal.

AGENCY APPOINTMENTS.

Columbian National Life of Boston: Peter Foley, manager for western Massachusetts, with headquarters at Springfield.

Dubuque Fire and Marine: Walter J. Wilson, of San Francisco, general agent for California, succeeding C. B. Sloan, resigned.

Washington Fire of Seattle: P. B. M. Trainer, of the Philadelphia local agency of Wister & Son, special agent for the States of New York, Pennsylvania and New Jersey.

Mr. John V. Thomas, assistant resident secretary in Chicago of the Liverpool and London and Globe, died suddenly October 5 at his home in Dixon from a blood clot on the brain. He had been suffering for several days from ptomaine poisoning, but appeared at his office as recently as Saturday last. The Western field men of the company were to have had a dinner on Wednesday evening, but this was called off on the news of his death. Mr. Thomas was about sixty-five years old and had been in the insurance business since 1865. He was a local agent until appointed Illinois State agent for the company in 1881, which position he served till he was made assistant resident secretary in 1893. He was a former president of the Illinois State Board.

Mr. William F. Mellerick, of Newark, N. J., has been appointed superintendent of agencies for the American Mutual Life Assurance Company of Philadelphia. He entered the home office of the Prudential in 1885, filling various positions from clerk to assistant division manager. From 1898 to 1901 he was superintendent of agencies for the New Amsterdam Casualty, and for seven years following was supervisor of agencies of the Mutual Reserve Life. After the collapse of this company Mr. Mellerick returned to the Prudential.

Mr. G. L. Plumley has resigned as actuary of the Washington Life insurance company, and will devote his time to the work of a consulting actuary, for which he is eminently fitted. Mr. Plumley is a fellow of the Actuarial Society of America, and acted as chairman of the examination committee at the recent examinations for admission to the society. He has been identified with life insurance in New York city for about twenty-five years.

Messrs. John E. Hendry & Co., of Chicago, opened a surplus line and brokerage department October 1, with Eugene Wile as manager. For surplus lines it will represent the Second Russian, the Colonial of Winnipeg and the Dominion of Toronto. Reinsurance will also be written in the Western field outside of Cook County.

Mr. J. M. Neuberger, the retiring Western manager of the Atlas of London, was presented with a beautiful silver salver by General Manager Samuel J. Pipkin, of the company, prior to the latter's departure for the Pacific Coast. It was handsomely engraved as a memento of the veteran's seventeen years of service for the company.

General Louis Fitzgerald, former president of the Mercantile Trust Company of New York, who figured in connection with the Armstrong life insurance investigation and resigned the presidency of the company when wanted as a witness, died on Monday at Garrisons-on-Hudson, N. Y., aged seventy-two years.

Mr. W. W. Dudley, secretary of the governing committee of the Western Union, suffered another apoplectic stroke Friday of last week, a little over a year after the original attack which has since incapacitated him. He is reported as recovering satisfactorily and as able to sit up again.

Mr. Daniel Lawrie, former manager of the fire department of the London Assurance Corporation, died in England September 22, aged sixty-two years. He was previously general manager of the Manchester Fire office. Mr. Lawrie made several official visits to the United States.

Captain J. Clayton Erb, who was killed by his sister-in-law at his country place near Philadelphia Tuesday night, was connected with the Pennsylvania Insurance Department during the administration of Commissioner Durham as a so called "expert" and actuary.

Mr. J. W. G. Cofran, of Cofran & Dugan, Western managers of the Hartford Fire, who has been in Europe for several months, landed in New York October 2, and visited the home office at Hartford before returning to Chicago.

Mr. Charles P. Tracy, counterman for Brown, Anderson & Young in Chicago, became Cook County special agent for E. D. Kinney & Co. October 1, representing the New Hampshire, Capital and Granite State.

Mr. R. H. McKaig, former manager at Sacramento, Cal., for the New York Life, has been appointed supervisor of agencies for the Manhattan Life, with headquarters at San Francisco.

Mr. C. A. Goodale, one of the organizers of the Michigan State Life of Detroit, has been elected secretary of the Security Life of America, succeeding Carl T. Prime, resigned.

Mr. Boyd Scott has been placed in charge of the recording office recently opened at Kansas City for the Southwestern department of the North American Accident of Chicago.

Mr. Horace G. West, of Spokane, general agent for the Mutual Benefit Life for eastern Washington and northern Idaho, has resigned to enter the real estate business.

Mr. Walter C. McClure, secretary of the Metropolitan Surety of New York for the past two years, has resigned to devote himself to the practice of the law.

Mr. J. H. Schively has carried the Republican primaries for Insurance Commissioner of the State of Washington.

Casualty and Surety Insurance.

Unusual accidents for the week are as follows: In trying to button a collar which was too tight for him a retired Boston contractor brought on an attack of heart failure and died instantly; showered with burning benzine from an exploding can near which he was working a New York man died after reaching the hospital; kicked by a skittish young mare as he was getting into a wagon a New Jersey teamster is dying from a fractured jaw; a man who was riding on a truck which was knocked over by a street car was hurled to the car tracks and killed; while standing in a New York street near where a fight was going on between striking taxicab drivers a fourteen year old schoolboy was fatally injured by being struck with a stray bullet; when the automobile which she was driving was struck by an engine at a grade crossing a young woman was hurled to the pilot of the engine, where she was picked up unconscious but not fatally injured; locked in with rats in a deserted moving picture theatre at Reading, Pa., a boy had a narrow escape from being chewed to death by the ferocious rodents, which lacerated his feet after gnawing through his shoes; after taking one of a box of capsules to cure his headache a New York man died in terrible agony, with every indication of having taken some strong poison; a huge gray dock rat got into the bed in which a husband and wife were sleeping, with their infant children near them, and before the parents awakened the rat had chewed the hands of the children; an aeronaut in descending from a balloon struck the top of a refreshment booth and then rolled off on top of a baby coach containing a sleeping child; an elevator boy in New York city was crushed to death between the wall of the shaft and the car he was operating; a fruit peddler who was leading his horse along a country road was electrocuted by coming in contact with a live electric light wire which was blown down in a storm; falling down the same flight of steps on which she had broken her right leg several weeks before a woman again broke the limb in the same place; an eleven year old schoolboy found a firecracker lying by the road as he went to school—he touched it off and later had his right arm amputated in a hospital; a vat of boiling candy was overturned when an elevator in a Williamsburgh factory dropped several floors and the men were badly burned by the hot, sticky mess; playfully picking up a shotgun lying in a wagon an Italian boy just for fun aimed it at his chum across the street—result, the playmate permanently disfigured and will probably die; when attempting to cut a charged electric light wire with insulated pliers an electrician was killed by receiving 2,200 volts through his body; a boy ran a nail into his foot while at work in a Philadelphia saw works, and tetanus developing, death ensued; a farmer's wife was instantly killed by the overturning of a wagon in which she was riding; a lineman for the Pennsylvania Telephone Company was instantly killed while climbing a pole, his belt having come into contact with a live wire; a married woman of Staten Island got up in the night to take some medicine, and groping around in the dark took the contents of a bottle of poison by mistake; a three months' old baby was found by its mother smothered in its crib, the weight of a heavy bulldog which went to sleep on top of the baby having caused death; the falling of a crowbar upon a supposedly empty gun discharged the weapon and the bullets took effect on three carpenters who were working nearby; the enforced vaccination of a five year old boy caused the death of the child from lockjaw; while trying to start the engine in a United States wireless station the operator was caught by the arm and whirled against the wheel, breaking two bones in that member; a stableman was killed while hoisting a bale of hay into the barn—he was drawn over by the weight of the hay.

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An effort is being made by several of the **surety companies** which hold a large line of the **railroad bond business** to secure the co-operation of the other companies writing this line for an increase in rates from 20 and 25 cents to 50 cents, in accordance with the stiffening of surety bond rates in all classes of business. The railroad business, it is generally acknowledged, has been cut below the point of profitable writing, but the present attempt to place it in the profitable class is regarded with suspicion by some of the companies who control a small share of this business at reasonable rates. There has been lots of rate cutting in the last few years on railroad bonds, and the joker lies in the fact that the companies now trying to increase the rates stole the business originally, by cutting rates, from the companies whose co-operation is now desired, when the latter were writing at a rate nearly as high as that now proposed. Now that the companies which have secured the bulk of the business at cut rates find they cannot make any money on this class of bonds at the price they are now carried at, they are asking their competitors who once controlled the business to forget it and help maintain the new rates. Of course, the companies that now have the smaller share of the business can see no reason for increasing their rates only to find that the big fellows have gobbled up more of their choice business at less than the rate agreed on, so they will agree to nothing of the sort. That is the way things go in the surety world from time to time. The competition is so strenuous that the cry is often "premium income at any cost," and then when the business proves unprofitable there is a cry for increased rates on the part of the company stung. It also reminds us of the cat licking his chops after dining on the canary; that is, before the feathers bother him.

A letter has been issued to the agents of the **Philadelphia Casualty** by the new president, Walter Le Mar Talbot, in which he emphasizes the fact that the company will continue on its own way without merging or consolidating with any other company. He speaks as follows of the company's future:

In accepting the presidency of the Philadelphia Casualty Company, to which office I was elected by the board of directors at a meeting held the 30th ult., I feel that I do not come among you as an entire stranger. As a member of the directorate, secretary of the executive committee and chairman of the committee on claims, for some years past I have had the privilege of observing the loyal and conscientious efforts of our men in the field, and a personal acquaintance has been established with not a few of them. It is, therefore, a pleasure to look forward to a closer relationship, with the prospect of broadening my field of usefulness in your behalf. The recent articles published in several papers with regard to using this company as a nucleus for organizing another company will naturally create more or less comment and inquiry. Hence, I desire to say to all interested that neither the stockholders nor directors of the company at any time authorized any statement upon which such articles could be based. The interests which have stood by the company from the beginning to the present time are unchanged, and have placed me in charge as president. It is my purpose to prosecute the business vigorously, but on conservative lines, in which I hope to have the earnest co-operation of all connected with the company. It is to be regretted that the ambition of newspapers leads to making statements without having them properly confirmed, and I wish to assure you that, notwithstanding the statements which have appeared, the Philadelphia Casualty Company has no intention of consolidating, but will continue in accord with sound business principles, and will protect the agents who render an equivalent or do their full duty.

The **Massachusetts Accident Company** of Boston announces the issuance of a new form of its "popular premium" policy at $1 a month, the "special policy" at $1.50 a month and the "full protection" form costing $2 a month. The "special policy" is the same as the "popular premium," with the exception that there is an increase in the amount of the accident benefits and that the policy provides for the payment of indemnity for the first week of sickness. In the "full protection" policy the death and dismemberment benefits are nearly doubled, and there is a material increase in both the accident and the sickness indemnity. Furthermore, the policy provides full indemnity for sickness, whether the insured is confined to the house or not. It also pays full indemnity for the first week of sickness. In each of these three policies it is provided that in case of accident or sickness requiring hospital treatment the indemnity shall be increased 10 per cent. for the period of confinement in hospital for a period of not less than one month nor more than six months. It is claimed that this is a new feature for a monthly premium policy; also the provision that the insured, in case of meeting with certain kinds of accidental injuries, which are specified in the policy, can obtain at once a lump sum in settlement or wait until recovery and receive the indemnity for the period of disability. The provision in the policy providing double benefits for railroad and steamboat accidents has been broadened to include passenger conveyances propelled by gasoline. This will include sightseeing cars, taxicabs and automobiles licensed for the transportation of passengers. The company further announces that it will shortly place on the market a moderate priced commercial policy covering accidents and sickness, to be followed by a $60 annual premium general disability policy for select risks.

The **American Surety** of New York has been summoned to appear before Insurance Commissioner McMaster of **South Carolina** on October 30 to show cause why its **license** to do business in that State should not be revoked. What caused the trouble was the refusal of the American Surety, which bonds the employees of the Southern Railroad, to remain any longer on the bond of Charles D. Miller, an agent of the railroad at Fort Hill. Miller claims that he lost his job with the railroad as soon as the surety company notified it that it wished to cancel its liability on his bond, and alleges that the reason the surety company refused to bond him any longer was because he testified against the American Surety when it was sued on a bond of an employee of the Columbia, Newberry & Laurens Railroad. Miller was formerly auditor of this latter railroad, and so claims that his testimony was important in the case. He alleges also that previous to the trial he was told by an inspector of the American Surety that in case the matter ever came to trial trouble would be made for somebody. Miller further alleges that he cannot now obtain employment in any bonded position, as the first question asked him is whether his bond has been refused by another surety company. The hearing of the case should prove an interesting one, as the American Surety controls a big proportion of the railroad bonding business of the country.

Following its **transition** from an assessment **to a stock accident company** the Massachusetts Accident Company of Boston will seek admission to several States from which it has heretofore been debarred on account of being an assessment company. In announcing the change to the field force its *Bulletin* says:

The reincorporation as a capital stock company was not necessary for the continued success of the company nor for the protection of the policyholders. We simply realized that the tendency of the times was in the direction of capitalization, and were hindered by the prejudice which exists in the minds of many against assessment insurance, and which was reflected in the action of the legislators in many States, through the passage of laws aimed at assessment life insurance, but which have also included assessment accident companies. The management, which will remain the same, will endeavor in the future, as in the past, to uphold the reputation which the company has gained through fair and equitable treatment of agents and policyholders and through the issuance of policies providing liberal benefits for moderate premiums. Under the law provided for the reincorporation the rights of the policyholders have been securely guarded. The stock company assumes all the liablities and assets of the mutual company. It will be unnecessary for any change to be made in the policies or agency contracts outstanding. They will be carried out just the same as though no change in the organization had been made, and will have the added security of the capital stock of $100,000.

Wisconsin physicians reported 13,571 **accidents** in 1907, of which 53 per cent. happened to workmen while at work.

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These startling figures are given in the first **report** made by the **Wisconsin State Bureau of Labor** on "Industrial Accidents and Employers' Liability in Wisconsin," which has just been issued by Labor Commissioner J. D. Beck. A system of workingmen's insurance is advocated in the report; also some method of settling claims arising from industrial accidents that will be equitable, expeditious and economical as well. The claim is made in the report that as things are now the employer can only be held legally liable if the employee is able to prove the employer's responsibility for the accident, which involves an expensive lawsuit, in which only about one-half the damages go to the unfortunate workman. The lawyer's fee and the legal expenses eat up the rest. For this and other reasons the adoption of a workmen's compensation act is recommended. The workmen's compensation systems in use abroad are also taken up, as are the subjects of liability insurance, mutual aid associations and other matters connected with the subject.

The new "provident" policy of the **American Assurance of Philadelphia** is designed to provide health, accident and life insurance for that large and deserving class of artisans, mechanics and day laborers who have been practically denied the right of protecting their incomes by reason of the limitation placed upon weekly indemnities and the excessive premium rates charged. The contract gives the wage earner the privilege of naming the amount of weekly indemnity he desires and is willing to pay for, as the weekly indemnity ranges from $3 to $10 per week. The policy is an immediate benefit for accident, is in effect for sickness after thirty days and pays for sickness after three days of confinement to the house. The longer the policy is carried the more valuable it becomes, since each added year to the life of the policy adds to the number of weeks for which benefits are paid, until finally twenty-six weeks' benefits, for both sickness and accident, are payable each policy year. The "provident" policy will be issued to any desirable healthy risk, male or female, between the ages of sixteen and fifty years, except that females are limited to $6 per week indemnity.

The **Fidelity and Casualty** announces that it expects next year to build an addition to its present **office building** at 97 Cedar street. The company purchased two years ago the half of the block between Temple court and Church street, facing on Liberty street, which is now occupied by the Temple Building. This will be torn down to give room for the erection of an eighteen story office building, which will conform in style with the older one. The new building will have a base of about 52x52 feet. The company has outgrown its present quarters, which it took possession of about twelve years ago, and has been compelled for some time to lease quarters in an annex building on Liberty street to properly house its departments. The present entrance hallway on Cedar street will be pushed through to connect the old building with Liberty street. It is hoped to have the new building ready for occupancy by May 1, 1910.

The fifth annual meeting of the **Board of Casualty and Surety Underwriters** will be held at the Hotel Astor, New York, on Tuesday, October 20. Besides the reports of the various committees and the discussion of the topics of taxation, annual statement blank and standard policy forms, there will be addresses by Hon. James V. Barry, Commissioner of Insurance of Michigan—subject, "The Board and Its Mission"; Hon. Thomas E. Drake, Superintendent of Insurance of District of Columbia—subject, "Prospect of Congress Enacting Model Insurance Laws for the District of Columbia"; Arthur W. Masters, general manager of the London Guarantee and Accident Company; Hon. William C. Maybury, managing director of the Standard Accident insurance company, and Hon. Edwin Warfield, president of the Fidelity and Deposit Company.

The **Empire State Surety** of New York has lost the suit entered against it by the National Union Fire of Pittsburgh growing out of the defalcation of the fire company's Brooklyn agent, J. William Fowler, who had been bonded by the Empire for $3,000 for four years when his death occurred in September a year ago. Then it was discovered that a shortage of between $4,000 and $4,500 had been caused by the dead man in fire premiums collected for the Pittsburgh company which had never been turned over. The surety company resisted payment on several grounds, and the case was tried before Judge Heisley in the Essex County Division of the Supreme Court of New Jersey. Judgment was rendered for the plaintiff for $3,000, with interest from February 21 last.

Some of the **reasons** why a company may **decline to issue a fidelity bond** on an applicant are mentioned in the current issue of the *Monthly Bulletin* of the Fidelity and Casualty. The following are given:

1. Dishonesty in a former employment. 2. Addiction to drink, either at present or within a comparatively recent time. 3. General dissipation, undesirable associates, and the like. 4. Gambling in general, or racehorse gambling, or speculation (stocks, grain, etc.). 5. Debts, or extravagance, or tendency to live beyond means. 6. Adverse information from references, or refusal to say anything. Inability to find references. 7. Inability to verify applicant's statement of career or to account satisfactorily for all of his time—perhaps because he has willfully suppressed some employments, knowing that a full disclosure would be fatal; or because he has not taken the trouble to give us an accurate and complete statement.

The enactment of a law by the legislature of **Washington State** compelling every insurance company, association or fraternal order now selling **accident** insurance in that State to **deposit** not less than $20,000 in approved securities with the Insurance Department for the protection of policyholders is being agitated by officers of the American Casualty of Tacoma. Wonder how this company, which was organized only a year ago, would like to have the legislatures of the other forty-odd States enact similar laws to kill prospective competition for the Tacoma company? Selfishness does not always pay.

By proving that he is now **totally blind** from the effects of a **steel splinter** which flew into his eye while working as a car repairer in the yards of the Santa Fé Railroad at Argentine, Mo., William Despain was given a judgment for $2,376.58 against the Pacific Mutual Life of Los Angeles. The case came up in the Wyandotte County, Mo., Court of Common Pleas a few days ago. Payment was refused by the company, which claimed that the injury antedated the policy. The piece of steel injured one eye and later the other became affected.

The unconstitutionality of the present alternative method used by the **Kentucky** State Board of Valuation and Assessment in determining the **franchise value of foreign corporations** was shown by Judge Stout of the Circuit Court in his decision in the suit of the United States Fidelity and Guaranty and the American Surety against State Auditor Frank P. James of Kentucky. The method referred to is provided for under a section of the State revenue and taxation law of 1906. The question will be passed up to the Court of Appeals for a final decision.

The daily papers of any important city afford most convincing evidence of the necessity for providing against the numerous accidents occurring.

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Scan the papers and select the unusual accidents and keep them as a portfolio of arguments for the skeptical. The catastrophes will range from unexpected injuries to the householder to harrowing disasters in which numerous people are injured, and emphasize the value of accident insurance protection.—*Insurance Field.*

Never mind the portfolio. THE WEEKLY UNDERWRITER collects them for you every week and prints them in its **"Unusual Accidents" column.**

Because he lavished stolen funds on an affinity and neglected his wife and children is the alleged reason why Fred A. Green, manager at Exeter, N. H., for the New England Telephone and Telegraph Company, was arrested on September 19, charged with being **short $800 in his accounts.** The arrest was made by Charles G. Gooch, and Green's bondsman, the American Surety of New York, was notified. The hearing in the case was postponed.

The entrance of the **London Guarantee and Accident** into the **steam boiler field** aroused some interest in casualty circles this week. The company has already been licensed to write this line in New York and Colorado, and will enter the other States as soon as the requirements have been complied with. The supervising inspector appointed is J. F. Sturgis, who has served the Hartford Steam Boiler as inspector for seventeen years.

Embezzlement figures **for August,** as collated by the Fidelity and Casualty, show the following defalcations, totalling $688,798: Banks and trust companies, $456,694; beneficial associations, $52,005; public service, $17,065; general business, $57,988; insurance companies, $5,400; court trusts, $53,200; transportation companies, $43,197; miscellaneous, $3,249.

The writing of **health and accident insurance** was begun on Wednesday by **Jameson & Frelinghuysen,** who have been appointed general agents for New York and vicinity of the commercial department of the Continental Casualty of Chicago. The company has heretofore been represented in New York for monthly payment business only.

Both the Ocean Accident and the United Surety of Baltimore have issued an amendment to their **bank burglary policies** in the form of a rider providing against losses to banks by reason of theft resulting from the use of force or the intimidation of employees of the bank by burglars or robbers.

The **Lion Bonding and Surety Company** of Omaha will increase its capital to $250,000 and will add $15,000 to the paid up surplus.

Plans are on foot for the transfer of the **Equitable Accident of Boston** from the mutual to the stock basis.

The capital of the **Empire Casualty** of Parkersburg, W. Va., will be increased to $250,000.

Obituary.

Death of Theodore W. Letton.

Theodore W. Letton, United States manager for the Prussian National Fire insurance company, of Stettin, Germany, died at Chicago, Thursday morning, after a long illness from a kidney disease. He had recently made a visit South and had returned to his home apparently much improved. But he became unconscious Friday of last week, and his heart action failed rapidly thereafter. The funeral services will be held at his residence in Chicago tomorrow afternoon.

Mr. Letton was a native of Iowa, where he was born in 1840. His parents moved to Quincy, Ill., when he was two years old, and he received his education in the private schools of that city. For several years before the war he was captain of a military company known as the "Quincy Cadets." In September, 1861, he enlisted in the Fiftieth Illinois Infantry as first lieutenant of Company C, and some months afterward was promoted to adjutant of the regiment. He remained in the army three years, two-thirds of the time being on detached service as acting assistant adjutant general on the staffs of different generals. About 1871 Mr. Letton entered the insurance business. He was later successively Western manager of the Fire Insurance Association of London; United States manager of the company, with headquarters at New York; Western manager of the Union of San Francisco, with headquarters at Chicago, and in October, 1891, was appointed United States manager of the Prussian National. He was an underwriter of acknowledged ability and greatly esteemed for his many attractive personal qualities.

Official Reports.

The New York Life Insurance Company—Report of an Examination by the New York State Department.

The Superintendent of the New York State Insurance Department has made public the report of the examination of the New York Life insurance company by Nelson B. Hadley for the department, which has been in progress several months. The report is quite voluminous and consumes thirty pages of printed matter.

The examiner verified the statement of the company as of December 31, 1907, which was found correct with a few minor exceptions, resulting in brief as follows: Gross assets, $516,762,762.75; admitted assets, $494,408,807.87; net reserve, $432,872,357; deferred dividend fund, $35,863,716.

The following are extracts from the comments of the examiner on the condition of the company and some of the items of its annual statement:

In the examination of this company we were confronted with the fact that it had nearly a million of policyholders, an annual income of over $100,000,000 and assets of over $500,000,000. However, I believe we have made a thorough and complete examination of the business and affairs of the New York Life insurance company. We have satisfied ourselves that the annual statement of the company is a fair and correct statement of its condition, that the assets are fully equal to the amount claimed by the company, and that its outstanding liabilities are amply protected.

BRANCH OFFICES.

Before going into the details of the examination I will state that the business of this company is conducted under the branch office system in contrast with the general agency system. The company deals with branch office cashiers, who are paid salaries, and the policyholder, after the second year, deals almost wholly with the branch office cashier, and is, therefore, to that extent divorced from the agency department, and the producing part of the business. This fact is one of the elements which has brought the company to its present low expense rate, referred to later. Practically little of the company's business is therefore mortgaged for renewal commissions. The premiums collected at the branch offices are daily deposited in banks in the name of the New York Life insurance company, a duplicate deposit slip being sent by the branch office cashier to the home office, and can only be drawn by proper officers of the company.

The usual method is to draw upon the branch office bank once each week. The company has so far perfected this system of drafts that its disbursements for collection of drafts or checks are comparatively insignificant. A so called No. 2 account is kept in the bank by most of the branch offices. This account is subject to check by the branch office cashier or the home office. The amount of this account is limited to from $500 to $2,000, depending on the size of the branch office, and it is used to pay the

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current expenses of the branch offices. The branch office banks also make a monthly statement to the home office, showing deposits made and drafts upon the account of the company.

INTEREST.

We checked the income from interest, verifying the amount reported in the annual statement by the aggregate of the individual items, both in the bonds and also in mortgages. We also reconciled the interest received and the interest collected in the bond schedules with the item of interest in the income. We checked the interest on bank deposits from the bank statements. In the case of a large number of banks reporting to the Paris office, a charge is made against the company, in some cases larger than the interest allowed, for the privilege of doing business through the bank. This is usually a percentage on the credit side of the account. The company offsets these charges against its interest on bank deposits received from European accounts and therefore reports this account net, instead of gross, as called for in the annual statement. The reason for this was apparently to place all bank interest on the same plan, and treat the net amount received from European banks as actual amount the company received for the use of its deposits. The home office has instructed the Paris office to discontinue this practice and to report the gross interest hereafter, as well as disbursements for bank account expense. We made a check of the interest on premium notes, policy loans or liens, the amount of which being collected through branch offices and showing in the branch office reports.

INCREASE IN BOOK VALUE.

The increase in book value during the year was checked and found correct. This amount comes wholly from the company's system of amortization, which brings the bond which has been bought at a discount gradually to par, as it nears maturity. This system of the company was carefully examined and its practical application checked. I believe the system to be not only correct, but just and fair as between policyholders. The policyholder under this system secures the actual earnings of the company's investments, and his return in the form of dividends is not affected by the rise or fall of securities, except in a case similar to the one referred to later in this report.

BONDS.

The New York Life insurance company has a total investment in bonds of $345,056,583.52. It has no investment in stocks of any kind. These bonds are, with the exception of those required for special deposit, kept in vaults of the company and under the seal of the finance committee. The company has well built vaults, where the bonds are properly safeguarded and looked after carefully. We counted the bonds, checking to the schedule of bonds in the annual statement. With only a few exceptions the description of the bonds and other data concerning them given in the annual statement were found correct. The company, although it could, under the rule of the department, use average values, preferred actual market values. These market values have been checked, and the company has placed a conservative valuation on its securities. The investments made during 1906 and 1907 were gone over, purchases checked with the records of the finance committee and proper vouchers from persons or firms from whom bonds were purchased were produced. The bonds puchased comply with the restrictions of the laws of this State. The company produced official receipts for all bonds deposited with foreign governments for the special protection of policyholders of such countries.

AGENCY ORGANIZATION.

The New York Life insurance company during the last two crucial years has been able to hold its agency organization intact to a remarkable degree. The company's so called "Nylic system" is responsible for this to a large extent, if not wholly so. This system is built up around the idea of loyalty and permanence, and the agent is rewarded in accordance to his worth to the company and his loyalty and persistence in its service. This system appealed in a special manner to those who depended upon their efforts as life insurance agents for a livelihood, by providing practically a moderate life pension, after spending twenty years in successful service to the company, and therefore provided a sure income for old age. The benefit to the company was threefold. It provided a more economical plan than the renewal commission basis. It made the interest of the company the interest of the agent, and it won for itself a reputation for reliability and responsibility in each community where the persistent agent was located. No other factor, in my opinion, has contributed more to the economical management of this company than its "Nylic," and it is a matter to be regretted that it cannot be carried on with new agents. While the new laws and the new responsibilities brought home to the company's management have resulted in better management and more rigid economy, I believe that, the measure of expense having been ascertained, the method of the expenditure should be left to the judgment of the management.

FOREIGN BUSINESS.

This company has a considerable portion of its business, amounting to about $470,000,000 of insurance, in foreign countries. The bulk of this business, amounting to about $350,000,000 of insurance, is in Europe and under the direct supervision of the Paris office. The accounts show that the European branch contrbuted to the expenses of the home office for the last four years as follows:

1904	$59,712
1905	123,456
1906	96,000
1907	169,926

To this extent this foreign business is a benefit to the company. In addition to this there is the fact that the business in those countries is more persistent than in this country. This is an important fact in arriving at the value of a business to a company as a whole. A further fact in regard to foreign business is that it gives greater stability to the chief elements of life insurance, namely, mortality, investments and expenses, upon the theory that any upheaval incident to this country would not, at least to the same degree, occur in the other countries. On the other hand, the great responsibility which rests upon the trustees of a life insurance company, with respect to caring for its assets and maintaining the integrity of its contracts, should demand the most serious consideration of any regulation which requires the investment of a portion of the company's assets in prescribed securities, and the placing of these securities in the custody of someone who has not the responsibility of the carrying out of the contracts of the company and the maintenance of equity between policyholders. The company, by placing the securities or other assets in the keeping of any government custodian, places it beyond the power of the company to withdraw and escape any unjust burden that may be imposed upon it, either by taxation or otherwise. The law of this State specifically recognizes the right of an insurance company to make investments in securities of foreign countries where it does business, and it undoubtedly has the right to make deposit of such securities to meet its foreign obligations.

THE NEW LEGISLATION.

The management of the company have, from every test I have been able to make, endeavored in good faith to carry out the provisions of the recently enacted legislation. There was a balance over the total margin for expenses for new business last year of $347,969. I find that the company has paid salaries to soliciting agents in certain cases where the margin in the premium received from the respective agent's business was less than such salary. In fact, in a number of cases under the Paris jurisdiction, there have been salaries paid during 1907 where there had been no paid for business written by the agent. A list of agents, and commissions paid to each in salary and paid for business produced by each agent, is filed with this report. The management in this respect has acted upon the advices of their counsel.

CONCLUSION.

All the officers, employees and everyone connected with the management have assisted us in every way to make the examination a complete one, and have met every request of your examiners in a spirit of good faith. I can find, aside from the few suggestions above referred to, no fault whatever in any way in which the company is managed and the interests of the policyholders safeguarded. The honesty, fairness and ability of the management cannot, in my opinion, be questioned.

Among the other subjects treated by the report are campaign contributions, legal and legislative expenses, real estate, mortgage loans, collateral loans, paid up policies, dividends and gain and loss exhibit. The extracts reprinted above, however, touch upon the most important features of the report.

Insurance Legislation.

Complete copies of all important bills in the legislatures affecting insurance are on file in the office of THE WEEKLY UNDERWRITER.

Vermont.

MONTPELIER, October 9.—The incoming Governor, Mr. Prouty, in his message to the Legislature recommends the

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establishment of an independent State Department of Insurance as a substitute for supervision by the Secretary of State and State Treasurer. He says that the change is warranted by the large income received by the State from the insurance business.

Miscellany.

FIRE UNDERWRITERS' ASSOCIATION OF THE NORTHWEST.

Proceedings of the Thirty-ninth Annual Meeting.

The thirty-ninth annual meeting of the Fire Underwriters' Association of the Northwest at Chicago, on Wednesday and Thursday of this week, was attended by over 500 field men and managers of companies. The meeting was held in the Auditorium Hotel. President Clinton L. DeWitt occupied the chair.

Secretary Briggs read the report of the board of directors, devoting special attention to the securing of permanent headquarters for the association in a library and reference room located in the Rookery Building. It was recommended that hereafter the work of secretary and treasurer be combined largely with that of the librarian. The membership was reported as 757, with 100 additions during the first day of the meeting.

Treasurer W. R. Townley reported receipts of $3,990 and expenditures of $4,052, with a balance on hand of $6,920.

PRESIDENT'S ADDRESS.

President DeWitt in his address said:

This is the thirty-ninth annual meeting of this association, the greatest association of its kind in the United States, both in point of membership and influence for good in our business. Little did the gentlemen who met at Dayton, Ohio, February 22, 1871, imagine that the organization there started would grow to be the power that it has. However, the thought that prompted the formation of the association is the one that has held it together and increased its membership and usefulness all these years. It was the desire for individual knowledge and education in the principles of the fire insurance business that an exchange of ideas and opinions and experience would give, and the advantage to be reaped by personal intercourse and the touching of elbows with the leading men in our calling.

The Fire Underwriters' Association of the Northwest is primarily an educational organization. It does not deal with specific matters, and it has never barred its doors to the admission of any honorable person for the reason that he did not transact the business of his company along the same lines as did some one else. We know no so called affiliation or non-affiliation as to companies, nor should this question ever be considered in our proceedings. Any member, regardless of company connection, is eligible to the highest office or greatest favor within the gift of our members.

It is not the company a member may be connected with; it is the man himself. If he has worth and merit he has equal chance for recognition, be he in the employ of the smallest company or the largest. I trust this condition will always continue.

This association during its thirty-nine years of existence has seen many changes in the manner of conducting the detail work of the business, but this is not to be wondered at. Business of all kinds has undergone a great change in method of handling in this same period. The original members of our association were men whose duties were quite different from those of the field men of the present day. Beside the appointment and cultivation of agents and the inspection of business written, the old time field man was a maker of rates and adjusted all the losses in his field.

Today the rate making is entirely divorced from the field work, and the adjustment of losses has become to a very great extent a matter for co-operation as between companies, and the handling of the claims by independent bureaus. The old field man is often inclined to look back at the former methods and wish for their return. This is natural and to be expected, but it will never be. The general business conditions of the country have changed greatly in recent years. Many States have enacted laws making it impossible to conduct our affairs as in the past. Our present day mercantile buildings and special hazards are vastly different from a decade ago, presenting questions of hazard that can only be correctly answered by men who have been schooled in the science of rate making, and who devote their entire time and energy to this very important branch of the business.

Therefore for these reasons, and others equally as good that might be mentioned, the plans of operation of the business that were good plans thirty or even ten years ago are no longer of value. The statement has been made that the field man's usefulness and influence upon the business is gone, and that he is now little more than a traveling clerk to do unquestioned the bidding of his company officer or manager. With this I do not agree. Being relieved entirely from the burden of rate making and from the enforcement of rates, except as to the adequacy of same from his own company's viewpoint, and in most cases with no losses to adjust but those where his company alone is interested, and frequently not even these, his time is free to build up the business of his company along more nearly ideal lines, and permanently and profitably. One line of work which has recently presented itself and in which field men are already doing splendid service is the effort being made to reduce the immense annual fire waste in this country. The public and even those of us who are engaged in the fire insurance business are prone to think, that if property is insured there is no real loss in case of destruction by fire.

But this is an entirely erroneous conclusion. The destruction of values and the retiring from actual existence of property that is needed for the well being and comfort and support of the people is a loss absolute, and one that no money payment can replace. It is wiped out of existence and must be created and toiled for again by persons engaged in all the varied life pursuits.

The president alluded to the growth of fire prevention in the States with commendation. Two more are to be added to the list: in Illinois and Iowa. The "in memoriam" list this year contained the names of fifteen members, and the president appointed committees to draft resolutions concerning each of the honored dead. On the death roll were the names of J. S. Belden, E. V. Munn, Martin Collins, E. P. Forman, W. F. Fox, I. W. Holman. E. A. Munson, Dan C. Osmun, J. Irving Riddle and D. F. Vail.

The president's address was liberally applauded.

MANAGER RICHARDS DISCUSSES INSURANCE TOPICS.

The annual address was delivered by Mr. E. G. Richards, of New York, the United States manager for the North British and Mercantile insurance company. It bristled with interesting and important suggestions incident to the practice of the business of fire underwriting in the United States. The following are extracts:

"Science is knowledge, but knowledge arranged in an orderly and systematic manner, hence the common expression, of reducing a subject to a science."

Fire underwriting is without such scientific foundation, and, being a business which is chiefly based upon experience and judgment rather than knowledge, it can never become nor be reduced to a science.

It is from the well of experience that we acquire judgment. We know for a given period and in a stated class of hazard the exact amount of loss sustained and number of fires causing that loss, against which our records show that a certain number of risks have been insured in the aggregate for a certain sum, for which an aggregate amount of premium has been received; from this record we learn whether the class, as a whole, has been profitable or unprofitable and its average cost per risk; but from it we cannot obtain the cost of insuring a specified or a single risk.

Rates of premium for future risks are approximated from past experience. Exactness in the premium rate is impossible, for the nearest approach to specific knowledge which is within our reach is that which experience gives of the cost in the past of an average risk, an inseparable one, in the sea of many thousands of its class.

Beyond this we cannot go, for we are without information or the slightest means of ascertaining the cost of insuring a standard risk, or the defects in a risk which disqualify it for a standard grading, which defects are duly itemized and charged for in our various schedules. The charges which are made therefor are purely hypothetical for the reasons stated.

The conclusion, therefore, is apparently inevitable that fire insurance can never be reduced to a science but must ever be conducted upon lines of approximation. It would seem impossible, however, for one to have spent many years in its pursuit

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and not have reached the conclusion that the occurrence of fires, however caused, is governed by some law which largely controls, if not determines, their frequency.

However mysterious or uncertain that law may be, every underwriter recognizes it as

THE LAW OF AVERAGE,

and is influenced by it in the conduct of his business.

The individual fire seems an incident unrelated to any other fire.

Even many such, when grouped together, may still seem an incongruous collection, having no special significance.

But the greater the number and the larger the territory embraced, the clearer becomes the evidence that some law of average operates to produce similar results in successive years.

The lover of statistics will readily find corroboratory evidence of this opinion by comparing ratios of fire loss to amounts insured in the United States over a series of years.

For instance, for the last ten years (according to "Insurance by States") the ratio of losses paid (amounting to over $1,000,000,000) to amounts insured was two-thirds of 1 per cent.

This period is not a favorable one to choose for illustration, as it includes conflagration losses which, in their aggregate amount, surpassed all previous conflagration records for a like period in the history of the world, yet with these exceptional conditions the highest ratio of loss in any one of those years was 1⅔ per cent. in 1906 (the year of the San Francisco disaster); the lowest was one-half per cent. in 1907, and, if the Baltimore and San Francisco losses be omitted, the pendulum of extremes swung only from .63 of 1 per cent. in 1899 to .50 in 1907, during that ten year period.

What mysterious cause operated to produce these remarkably similar results?

Certainly not mere chance, else the variations might well have been of the wildest kind.

Similar evidences of average are to be found in the well kept classification books of a single company having a medium or large volume of business. A single class for one year may show a large profit, while for the following year it may show a heavy loss, and it will be found that the results of any particular group are never dependable year after year, for while the premiums based upon the experience of previous years may be fairly well approximated, the losses to occur are an unknown and undeterminable factor, making any adjustment of rates to produce a given percentage of profit (as is sometimes advocated) as impossible as absurd.

Yet when the many classes into which the business of that compauy has been divided are grouped together—widely varying as the record of profit and loss will be, class by class—the business of that company in its entirety, will (if conflagration losses be eliminated) show clear evidence of the law of average by the comparatively small variations between successive years, which evidence is yet more positive as the process of aggregation is continued.

Accepting as a fact the conclusion that experience is directly affected or controlled by this law of average, it would seem clear that the conditions under which we insure must be such as are in harmony and full compliance with its teachings, if we expect to bring our business up to a plane at all resembling a science.

We can never secure that harmony or compliance with the law of average, unless each insurance contract gives the assured protection under the same fundamental conditions as given by every other contract.

Rates of premium must necessarily vary according to the measure of the hazard, but the proportion of value upon which premiums are required to be paid must be the same for one insurer as another, or at least in any event the loss which the policyholder may sustain must not be collectible for any greater proportion thereof than the proportion of value which he has insured and paid premium for bears to the whole value, otherwise the lightly insured gains an unjust advantage in the majority of losses over the party insuring for full or nearly full value because the loss rate thus increased correspondingly affects and tends to increase the premium rate.

This brings us to a requirement which in my judgment should be made obligatory upon the insurer, as a condition in every policy contract without exception, fortified by statutory enactment, viz., that obligation or condition which, unfortunately, fire underwriters have named

"CO-INSURANCE."

Your attention is particularly directed to the effect of the absence of this obligation from the insurance contract, which prevents a close approximation to equitable rates.

The basic principle of fire insurance being average, if every policy issued contained a condition that the assured should recover in case of loss no greater proportion than the amount insured bore to some uniform proportion of the value of the property insured, then all losses that occurred under such policies would be paid on that basis and the ratio then shown of losses to amounts written or premiums received in a particular class, would be a reliable basis from which an average rate could be justly and correctly predicated, and no one assured would secure any greater measure of protection for each dollar of value insured than any other. But, of the manifold premiums in a particular class for a specified time, if, as is now the case, some are on a basis of 100 per cent. insurance to value, others on 80 per cent., and many others but very lightly insured, and the majority or perhaps all without the condition above referred to, it is plain that the losses sustained in such class would be in larger proportion to the premiums as well as to the amounts insured, and thus the cost of insurance necessarily increased to those who carry full or substantially full insurance to value, with the opposite result for those who insure but a part of their values yet secure protection upon their full values up to the amount of their insurance.

There is no better way to illustrate this than by the system of governmental taxation, for the principle is the same in either case.

If the system of fixing by assessment the values of property subject to taxation was abolished, Citizen "A" might pay his percentage of tax upon 75 per cent. of his values, while "B" might pay his on but 50 per cent. of his values, "C" on 25 per cent., and others upon any basis of value which they might personally choose, and in such event the Government (State or National) would fail to secure a sufficient amount of taxes to meet its needs. The principle of equality between the various taxpayers would be destroyed and the Government would be unable to fix a rate which could be depended upon to yield the sum required, because the total sum of assessed values would be wanting.

If fire insurance should ever be conducted by a State or by the National Government, there is little doubt but that losses and expenses would be assessed against the insuring taxpayer in precisely the same manner as all other taxes are levied, viz., upon the full assessed values of property so protected.

It is reported that the United States Steel Corporation strongly objected to the use of co-insurance conditions in its fire policies, but when fire insurance was abandoned and the corporation carried its own risks, creating a department for the purpose, each separate plant was required to pay into a common fund annually a premium based upon the full value of the property; thus, that corporation recognized the principle of co-insuranec as fundamentally necessary for equalizing the cost of insurance between its many properties. But our stock fire insurance companies are not in an equally strong and independent position.

First—The sentiment for universal co-insurance is not general, and even if it were the companies would not unite in the enforcement of such a condition; and

Second—The laws of several States (largely, too, in the territory of this association) prohibit the use of co-insurance in the insurance contract.

It is a singular fact that while these States (which prohibit co-insurance) are required by law to collect their taxes upon a uniform basis of assessed valuation of all taxable property (including taxes on the full amount of fire premiums collected by our companies), they refuse that right to fire insurance companies, whose business is of a quasi-public nature, and to whom the ad valorem principle is quite as essential in the levying of their premium tax to meet the enormous fire waste of the country as to the States. It appears to me that there can be

BUT ONE EQUITABLE METHOD

for equalizing the tax burden of fire insurance and that is the plan which would require every insurer to insure his property to a fixed and uniform proportion of value, and failing to do so, to allow him to collect in case of loss no greater proportion of same than his insurance bore to the agreed or legalized proportion of value of his property damaged.

Its effect would be twofold.

First—By its use the average rate would be reduced because it would be an inducement to the insurer to insure his property to the proportion of value required for full indemnity, and in this manner larger sums would be paid for insurance and thus the average loss rate of the companies would be reduced.

Second—The average rate would be further reduced by the use of the clause, for the liability for loss of each company would in many cases be less, because it would then be liable for no greater proportion of a loss than the proportion of value

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insured, the assured receiving full protection to the extent for which he had paid premium, but no more.

This clause is practically a universal requirement in New York city, where about one-tenth of the entire premiums of the country are collected. Only household furniture of less than $2,500 value is now exempted from this requirement.

As an example of the effect of the absence of the clause I would remark:

In Ohio for the years 1900 and 1901 the losses in which my own company was interested were $201,203 greater for itself and the other companies interested in those losses (for which they received no premium) than would have been if an 80 per cent. co-insurance clause had been used in the policies thus involved.

I am confident that rates of insurance are much higher because of the effect produced upon premiums and losses in the manner described, through the absence of the co-insurance principle, and I would not regard an estimate of 25 to 30 per cent. as unreasonably high for such excess ratio of cost.

CO-INSURANCE A MISUSED WORD.

I will add a few brief "positive opinions" for your consideration, trusting they may at least be found worthy of your thought and discussion.

First—As stated earlier in this address, the use of the word "co-insurer" or its co-ordinates, "co-insure" or "co-insurance," when applied to or used in connection with the assured is unfortunate, to say the least, and their use should be tabooed by every underwriter and for the following reasons:

Worcester defines "to insure" as "to make sure or secure," or "to secure against possible loss under stipulated conditions."

A "co-insurer" is "one who insures with another underwriter," but the assured is neither an "insurer" nor a "co-insurer" nor an "underwriter," simply because with a co-insurance clause upon his policy he prefers to carry less insurance than the clause calls for and in case of loss suffers from "his shortsighted economy!

He is only gambling upon the chances of loss, and is in no sense making himself "sure or secure" by so doing! In reality the insuring property owner can never be a co-insurer.

The use of these words in the manner referred to has caused a vast amount of misunderstanding with our assured, and with not a few insurance men, while I believe it has been an indirect cause of much hostile legislation.

I ask your consideration in favor of changing the name of the so called "co-insurance" clause to "loss liability" clause or "assessed value" clause, though my own preference is for the first of these two. The form of the clause should always follow substantially that of the clause (a legal requirement in the State of New York, if used at all), which provides that the liability of the company for loss shall be such proportion thereof as the amount insured under its policy bears to the value or a stated percentage value, etc., etc.

Second—I commend the plan of making a flat charge of 50 cents (not per cent.) in every rating schedule for the absence of co-insurance in the policy, treating such as a defect and subject to no reduction whatever except for guarantee of clause in contract. Then, in case of acceptance of the clause by the assured (if the State laws permit its use), a reduction would be made in a 1 per cent. rate of 50 per cent., and upon a high rate, say of 5 per cent., the reduction would amount to but 10 per cent., thus automatically grading the reduction therefor in proportion to its real value.

Third—I have never known the use of a co-insurance clause for any percentage of value to create a moral hazard nor am I able to believe it will. Whenever an insured desires to realize in a criminal way upon his insurance policies he has little trouble in obtaining all the insurance wanted, unless generally known to be a doubtful or suspicious party.

Fourth—I do not favor graded or conditional co-insurance. Most important of all, the clause, if possible, should be made obligatory by law and for a uniform proportion of the cash value.

FIRE WASTE IN THE UNITED STATES.

After discussing the effect of illiteracy on the fire waste, Mr. Richards, continuing, said:

One of the serious questions which confronts the people of this country is the problem of its enormous fire waste which far outstrips every other country in its ratio of fire loss.

The art of prevention of fire has apparently advanced much less in this country than the methods of discovery and extinguishment; but when here, as in many parts of Europe, the property owner is made severely responsible for any fires which occur on his own premises, one vital, perhaps pre-eminent, cause of our immense fire waste, which amounts to nearly $250,000,000 annually, will be reached, because moral hazard and carelessness will be practically eliminated, and a greater incentive then exist than now for better and safer buildings.

This work cannot be accomplished by the insurance companies. The strong arm of law is the only effective force which can be employed successfully to this end.

How humiliating to the American is the comparison between the loss records of this country and those of Germany, France and Great Britain, where the fire loss is merely nominal and conflagrations, as we know them, are of the rarest occurrence.

Doubtless most of us have read the recently published record of loss by fire in Paris and the cost of maintaining its fire department, which appeared in the New York *Journal of Commerce*.

For a ten year period (1888-1897) the average amount of loss per fire in that city was $1,257, while in the following ten year period its average fire loss had dropped to $1,025.

Only 1,748 fires in that great city during the year 1907, the total amount of loss being but $1,450,215, while the cost of maintaining the fire department for that year amounted to but $585,066!

A friend related to me that in a large university town in England recently visited by him, a professor in the university remarked to him that during his twelve years of residence there the fire engines had not left their houses in a single instance to attend a fire.

Surely we have much to learn from other countries in this matter, and no better work could be undertaken in our national interest than for a competent committee, representing the East, Pacific, West and South, to visit some of the countries where the fire hazard is so effectively controlled, and obtain for our American cities and towns the secret of their success. We have many organizations that are doing splendid work in this direction; but all are working for improvement in the physical hazard, nothing having been undertaken of a combined nature to control the personal or moral hazard.

A POSSIBLE REMEDY.

I believe the experiment would be well worth trying of attempting to control by law this more than serious phase of the subject.

Personally, I favor and consider practicable the enactment of a law which would permit an insurer to collect from his insurers, in case of fire originating upon his own premises (except from known cause beyond his control), not more than 50 per cent. of his loss; and, if such fire extended to the property of others, whether tenants in the same building or property adjoining or exposed by his premises, that he could then collect from his insurers only such proportion of his own loss as the amount of loss and damage to his own property bore to the loss upon all property involved.

The law could permit certain exceptions: If, in the case of a mercantile house, manufacturer or other property owner, it could be shown to the authorities that larger protection from insurance was essential, exemption in all or part could be given by special authority, such exemption being listed, published and kept on file with the police and fire marshal. The enforcement of some such law would reach the primary causes of the larger part of our annual fire loss.

The passage of better building laws would be easy of accomplishment; the fire marshal would be in large demand; the insurer be certain to see that his building was made safe, that vertical and side openings were effectually protected by approved devices, watchfulness against carelessness of every kind would be vastly increased, and every appliance for extinguishing fires—from the automatic sprinkler to the fire pail—would be brought into service.

In this country a premium is placed upon carelessness, indifference, and, worse than either, incendiarism, by the lack of thorough investigation into the origin of fires and the ease with which fire insurance is collected after a fire has occurred.

What reduction from present rates of insurance would you, my fellow officials, be willing to grant for such safeguarding of your interests? Would 30 or 40 per cent. be too much? I think not, for I fully believe the fire waste of this country, by the universal application of such restrictive laws, would be reduced to less than one-half of its present total, and a successful test of some such plan by a single State would lead to its adoption by others.

Mr. Richards continued with some allusions to the taxation of insurance.

At the conclusion of Mr. Richards' address, which was received with much interest, an adjournment was taken until afternoon.

The association assembled at 2:30 o'clock p. m.

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MR. DANIEL ON HARMONY.

Mr. Lewis F. Daniel, of Minneapolis, special agent for the Queen insurance company in Minnesota and president of the Minnesota and North Dakota Fire Underwriters, read a paper on "Harmony—a Message to Field Men," in the course of which he said:

The subject for our present consideration is indeed a broad one, for what phase of existence is without its examples of harmony? It pervades the whole creation and is manifested in all the works of nature. The entire universe is so attuned as to inspire the poet to speak of the "music of the spheres," suggesting something far beyond the powers of the finite mind, unless, perchance, that phrase has reference to the harmonious relations known to exist between the golf ball and the high ball.

But, laying aside a general consideration of so broad a subject, let us turn our attention to that particular kind of harmony in which the field man should be vitally interested; the harmony that should obtain among a class of business men whose interests are so interwoven that the conduct of one affects to a greater or less degree the welfare of all; for I hold that the field man is clothed with a degree of responsibility sufficient to make him largely instrumental in fostering or destroying good conditions throughout a given territory.

Almost every one of us is familiar with the old time special agent. "Age cannot wither nor custom stale his infinite variety." He was map maker, rate maker, inspector, adjuster and business getter, the local agents' guide, philosopher and friend and an ever present help in time of trouble.

But the business of fire insurance has not escaped the epidemic of centralization and specialization now working such economic changes in all branches of commercial activity; and as time rolled on there burst upon his vision sundry map publishing companies who relieved him of the appetizing occupation of pacing off the length of the livery stable and stumbling over tomato cans in alleys, trying to map out a small patch upon the county seat.

Later on appeared the expert in measurement of relative fire hazard, vulgarly called "rater" or "deanite"—also various adjustment and inspection bureaus.

Who can wonder then that during this evolutionary period one could find at times, among the rank and file of field men, an occasional pessimistic brother who would exclaim, with Othello, "My occupation's gone"? But no. The poor we have always with us. No one nowadays disputes the fact that the specialization in rate and map making, improved risk inspection and co-operation on adjustments leave the modern special agent time to develop along the other important and manifold phases of a business said to be in its infancy.

Were he not relieved of those details he could no more do justice to the planting, cultivation and supervision of his field than could the farmer of olden days cradle his grain in competition with modern farm implements, or the department store manager attend in person to waiting on his customers, making change and keeping books. One might say there is nothing left of the duties of the special agent that cannot be summed up in the three words, "Get the Business." That is indeed a comprehensive phrase. It has a ring to it like a war cry and I doubt not is pretty generally so used. But if, as some maintain, the special agent of today is a salesman pure and simple, he were simple indeed and far from pure did he not recognize the existence of some code of ethics—some duty owed to the welfare of the agency business in general.

Self preservation is the first law of nature, whether it be exemplified in the individual or in the group. It is the operation of that law that prompts the local agent to fear a rate war in his own town, and the same law of self interest should be no less potent in keeping ever in the special agent's mind that true saying, "What's good for the hive is good for the bee," so that he may bend his efforts against demoralized conditions throughout his own particular field.

So far as I can learn, the field where perfect conditions are found does not exist. The visitor to such a field would find not harmony but silence. Harmony presupposes activity. While it may sometimes be produced by accident, sustained harmony is never achieved without an effort on the part of the individual to co-operate with the group in following a code laid down for the general good.

ADDRESS BY THE PRESIDENT OF THE NATIONAL ASSOCIATION OF LOCAL FIRE INSURANCE AGENTS.

President E. W. Beardsley, of the National Association of Local Fire Insurance Agents, addressed the convention on the subject of the "Community of Interest Between Company and Local Agents." He said:

Although the broker is a very important factor in the larger cities, the greater portion of real fire underwriting in the United States is conducted under what is known as the American Agency System by as intelligent and representative a body of men as can be found in any business or profession in the world.

These gentlemen have, for the most part, been selected with great care by the field men and company officials only after the most careful consideration and particular inquiry as to their qualifications and fitness for the responsibilities coincident with a local agency appointment. The moment the commission of authority is signed and the supplies delivered a community of interest between the company and its representative should be, and usually is, established.

This feeling of mutual confidence and respect between principal and agent increases as time goes on, crystallizing and solidifying, until a link is formed which becomes one of the integral parts that constitute that great chain of underwriting talent, extending from the Atlantic to the Pacific, which so successfully handles the extensive and diversified interests of property owners throughout the country.

In order that this chain may run upon smooth bearings, and remain unbroken, it is essential that this so called community of interest be maintained, and that both company and agent respect the rights of the other, and recognize the fact that each is entitled to the best support and assistance the other can give.

FUNCTION OF THE LOCAL AGENT.

The company should, in my opinion, be ever mindful of the fact that the agent is, by virtue of his local environment, in a much better position to judge as to the moral hazard of the risks he writes than anybody connected with the home office can possibly be, and his acceptance of them should be considered proof positive that he believes them to be all right. All first class companies appreciate this point and practice it with many of their agencies, and it must be admitted that in most cases where a contrary course is followed the agent is the one at fault.

The agent is also in an excellent position to adjust the small losses, which are of almost constant occurrence, as his personal acquaintance with the assured gives the property owner a feeling of confidence that goes a great way toward securing an equitable settlement along liberal lines without the necessity of paying more than the actual loss in order to make the assured feel that he has been treated fairly. It also gives the agent prestige in his locality and increases his importance in the estimation of the assured, who naturally looks upon a man in whom such confidence is shown by the company as one in whose hands his own interests will be entirely safe. In recognition of these advantages to himself the agent should, if he possesses the true spirit of co-operation, effect such adjustment with as little expense to the company as a just and proper treatment of the case will admit. It is my belief that the agent is entitled to, and should have, the

SOLE REPRESENTATION

of the company for the territory covered by his commission, with the possible exception of instances where certain sections of large cities have an extensive and desirable foreign population which it is impossible for the American agent to reach, and even in such cases the foreign representative should, from my viewpoint, be a sub-agent and report through the office of the regularly constituted agent of the company.

There is nothing so humiliating to a real underwriting agent, who has the proper pride in the companies he represents, as the knowledge that another man in his field also has an agency of the same company, and is therefore in a position to issue exactly the same policy as that advertised by his own office.

The company is also under distinct obligation to the large body of representative local agents throughout the country, upon whom it depends for its great volume of desirable business and premium income, to limit its appointments to men of standing in their own communities; men who have the reputation of conducting their business upon correct principles, and whose regular vocation is insurance.

By cutting out "side line" appointments which at present produce so called "underwriters" from the ranks of bookkeepers of manufacturing concerns, hotel men, bank clerks, and even grocers and barbers, the company can greatly assist the American local agent in protecting his business; can materially increase the average efficiency of its own staff of commissioned representatives, and eventually bring about a greatly needed reform.

That dual, multiple and side line appointments are a bane to the business of fire underwriting is becoming generally recognized by those seriously interested in bringing about an improvement of existing conditions, and many companies have already

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gracefully inaugurated a change of policy in this respect, so that it may be safely predicted that within a comparatively few years the situation will be greatly improved, even though the evil may not be entirely eliminated.

Overhead writing, which a few years ago was easily one of the most serious practices with which the local agent had to contend, has been almost entirely discontinued by first class companies, and is now looked upon by underwriters generally as absolutely opposed to all business ethics.

The local agent, on his part, should never permit himself to labor under the hallucination that he is bigger than his company, for it is the company which furnishes the indemnity he retails to the public, supplies the funds for the payment of losses, small and large, and rebuilds cities after serious conflagrations.

DUTY OF THE AGENT TO HIS COMPANY.

He should also realize that he owes it to his principal to exercise his very best judgment in the selection of risks and never commit the company upon anything he would not himself accept if he were an officer of the corporation. If there is any doubt in his mind as to the desirability of a line he should submit all the facts in the case to the home office and let the responsibility of the acceptance or rejection of the risk rest there. The agent should be reasonable in his demands and limit himself to requests that the company can properly grant, thereby relieving the company officials of the embarrassment of appearing to "turn him down" when they are really doing the only thing consistent with the interests of the corporation, and therefore of the agent himself.

It is also the duty of the agent to assist the company in keeping down its expense ratio as well as the loss ratio, for the expense of conducting the business is necessarily so large that there is very little margin, after paying the losses, even in the most profitable years, and disastrous periods are always followed by an uncomfortable shrinkage in the surplus, which must be kept in a healthy condition if the company and agent are to continue in the confidence of the insuring public and in the insurance business. One of the best assets an agent possesses is the strength and conflagration resisting power of the companies he represents.

Baltimore, San Francisco and Chelsea are recent and forcible reminders that it is the unexpected which happens, and while we do not look for a repetition of these conflagrations in the immediate future, it may come at any time, and rates should be kept up and expenses down until the surpluses of our real underwriting companies are restored to somewhere near the figures shown five years ago. The agent should never, under any circumstances, be guilty of

REBATING,

either directly or indirectly. He should represent only companies whose policies are worth 100 cents on the dollar, and then collect the premium to the last farthing. He should have too much respect for himself, and too great a pride in the companies of his agency, to lower the standard of his profession by selling contracts of indemnity for less than their face value.

If the agent cannot secure premiums in any other way than by rebating, he should retire from the business and go into something that requires less natural ability than successful fire underwriting demands.

A local agent who rebates practically admits, by so doing, his incompetency and ability to honorably cope with his competitors who are writing a good volume of business at full tariff rates, and who have built up valuable agencies through their own efforts and by their uniform practice of requiring full price for their policies, and seeing to it that the assured receive dollar for dollar in payment of losses sustained. An agent who rebates should be placed in the same class with the shyster lawyer and considered unworthy of representing any first class fire insurance company. The local agent should also be alive in his opposition to

HOSTILE LEGISLATION

affecting the business of fire underwriting, and follow closely such bills as are introduced in the legislature of the State where he resides, using his influence to prevent their enactment by appearing against them before the committee to which they are assigned for hearing, and by interviewing the members with whom he is personally acquainted.

The State and national agency associations are doing excellent work along these lines, and are proving themselves invaluable to the companies in this respect, but the responsibility should not be left entirely to them, as the individual agent is often in a position to lend valuable aid if he will but take the necessary time and interest in the matter.

Local agents throughout the country are greatly indebted to the National Association of Local Fire Insurance Agents, of which I have this year the honor of being president, for the magnificent work it has done during the past ten years in bringing the local agent back to his own, in exerting their influence to put an end to bad practices in fire underwriting, and in offering suggestions designed to place the entire business upon a higher and more dignified plane.

The association was at first treated by the company managers either with open hostility or quiet tolerance, both of which feelings have long since been replaced by sincere admiration as the objects of the organization have become better understood and its members have had the opportunity of demonstrating by their conservative action that it is their desire to work for and with the companies rather than against them.

The company managers recognize this and have shown their appreciation in many ways, chief among which was the appointment in New York, a few years ago, of a standing joint conference committee of six, which annually meets with a similar committee of the National Association for the discussion of matters of common interest.

The company committee is composed of some of the brightest underwriters in the profession—men of the highest standing, whose views on all matters pertaining to insurance are eagerly sought—which is sufficient evidence that the importance of the agency movement is fully appreciated by company officials in general.

In addition to the joint conference committee to which I have just referred there has, during the past year, been established by the National Association of Local Fire Insurance Agents a Western conference committee, of which Mr. Clarence S. Pellett, of Chicago, is at present the able chairman, and I would urge that the Fire Underwriters' Association of the Northwest co-operate with that committee upon all subjects of mutaul interest, believing that these two great organizations working in harmony would create a power for good that would make itself felt throughout the entire Northwest.

In order to secure the best results in our business, gentlemen, and make its conduct really "worth while," we must have co-operation between company and agent. Not half hearted, selfish assistance, but real co-operation, which shall be, in the fullest measure and broadest interpretation of the phrase, a close community of interest.

Mr. O. E. Lane, of Denver, Col., followed with a paper on "Educational Responsibility in Underwriting."

The day's session was concluded by the reading of a paper by Mr. C. H. Patton, of Cleveland, on "Schedule Rating and Field Conditions."

THURSDAY'S PROCEEDINGS.

The association assembled at 9:30 o'clock Thursday morning, President DeWitt presiding.

INDIVIDUALISM IN FIRE INSURANCE.

A paper was read by Mr. Raynolds Barnum, of Kansas City, Mo., Missouri State agent for the Agricultural insurance company, on "Individualism in Fire Insurance." The following are extracts from this excellent production:

There never was a time, since fire insurance became such an important factor in the business world, that individualism was so necessary, and, owing to the many stringent insurance laws, so compulsory as it is today. Every company conducts its own business in its own way, collects its premiums, pays its losses and expenses out of its income, distributes dividends to its stockholders and appoints agents of its own. Therefore it must be conceded that to have confidence in each other is a very essential factor.

We have laws of all kinds affecting our business, but fortunately there are no laws prohibiting our being square with each other. And, speaking of laws, reminds me of a squib I read recently: "The law gave us our relatives, but, thank God, we can choose our friends!"

Edison was once asked if he did not think genius was inspiration. "No," replied the inventor, "genius is perspiration!" So, in our business when we see a field man who has been promoted to manager we are apt to speak of his good luck, when the truth is his hard work and square dealing are the cause of his promotion. It is an old saying that "anything worth having is worth working for," and a field man of today must give his business his best efforts all the time in order to hold his own and get the results for which we are all striving. He must have a thorough and well digested knowledge of the business, thus giving him confidence in himself, which will inspire his agents with confidence in him.

In order to be a successful field man it is absolutely necessary to have the confidence of your company, your fellow field men

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and your agents, and the only way to gain this is to deal fair and square. How often our fellow special agents, while in fact our competitors, have been proven our helpers as well! How many times has it come to the knowledge of each of us that a fellow special has spoken well of us to our agent, perhaps before our first visit to his agency; do you suppose that does us any harm? No! The agent will be prepared to meet us more than half way and the rest is up to us. * *

A special agent must study the business, and the more book learning he has on the subject the better equipped is he; but he must acquire his real knowledge on the ground. Speaking of book learning reminds me of the young lawyer who was trying his first case in court, and, upon examining the witness, asked the question: "What position, if any, did the prisoner assume when he fired the shot?"

INSURANCE PAPERS.

I have known field men who did not even subscribe to an insurance journal. What a mistake this is when there are so many worthy and helpful papers published today within the reach of us all. It is a field man's duty—and should be his pleasure—to utilize his many spare moments in keeping abreast of the times and perfecting himself in his profession. Think of the many hours we must idle away waiting for late trains, etc., and what a pity it is to waste this valuable time when it could be put to such good use! When Professor Silliman, of Yale, in his eightieth year, addressed the graduates, he said: "Young gentlemen, as the result of my experience and observations, I have one piece of advice to give you: Improve with reading the odd five minutes." What a vast fund of knowledge we would acquire if we improved with reading only a portion of our odd five minutes! * *

RESPONSIBILITY OF THE FIELD MAN.

The field man of today is a man of great responsibilities, but what ambitious man does not welcome responsibility? Merchants may have a lucky stroke of fortune, preachers may buy or borrow sermons, quacks may win riches by a patent medicine, but the fire insurance field man can, for the most part, rely upon no one but himself. He must decide important questions on the spur of the moment, and, as he is responsible to his company for results in his field, he cannot make many mistakes and retain his position. The most successful companies are those who give their field men plenty of rope; if they hang themselves with it is their own fault; but the special agent who is not hampered with a lot of red tape from his company is the one who always has his heart in his work, is always cheerful and gets results.

Some companies try to do too much field work from their offices, while, at the same time they are paying some man to do it in the field. I once knew a case where a certain special agent who, upon changing companies, commenced to refer to his new manager trivial matters, as had been his custom with his former company. The manager stood it for a while, but finally one day wrote to the special that he was paying him a good salary for his brain and did not care to pay him the salary and then do the thinking for him. The result was that this particular field man was soon noted for his sound advice and intelligent work. * *

THE SIDE LINER.

Many of the ills of our business are laid at the door of the "side liner," who, many times, knows practically nothing about the insurance business, but it seems to be impossible, under the present methods of transacting our business, to eliminate him. However, if more care was exercised in selecting such representatives we would have less trouble. While traveling in Oklahoma recently I saw in a small town an office sign of a sure enough "side liner," which read: "John Doe, Attorney at Law, Abstracter, Real Estate, Rents, Fire Insurance, Life Insurance, Pension Papers, Dentist and Medical Adviser. Come up! The elevator has stopped, but the stairs are still running."

Why is it that in the fire insurance business we find so much friction, dissatisfaction and general discontent? Lack of confidence in our competitors, I believe, is one of the chief reasons, and this could be eliminated by the square deal. Few who seek recreation and bodily refreshment among the mountains can long resist the desire to get up on the heights, and so in our business we should always have with us the desire and determination to get to the top; there is room there, and more tops are being made every day. * *

In the Berkshire Hills there was a funeral, and as they gathered in the little parlor there came the typical New England female who mingles curiosity with her sympathy, and as she glanced around the darkened room she said to the bereaved widow: "When did you get that new eight day clock?" "We ain't got no new eight day clock," was the reply. "You ain't! What's that in the corner there?" "Why, no, that's not an eight day clock; that's the deceased. We stood him on end to make room for the mourners."

There should be no reason why it should be necessary to stand the deceased insurance company in the corner to make room for the mourners. If we would all transact our business on those principles of sound underwriting we all know so well, adhere to adequate rates and repose that degree of confidence in each other, which we each should merit, there would be plenty of room for the small band of mourners.

A CODE OF ETHICS.

It is timely to note that at the recent convention held by the National Association of Local Fire Insurance Agents the following motion was adopted, tending to elevate the business of fire insurance to that of a profession: "That the incoming administration be requested to take up and prepare for presentation to the next convention a code of ethics governing our accepted standard of good practices in relations of agents with each other, as well as agents with their companies and patrons."

In the publication of rates I believe a great improvement could be made over the usual custom of simply publishing a rate as so much on building and so much on contents, without any explanation as to why the rate is quoted at those figures. There never was a tax of any kind that was not considered too high by the great majority. Why not take the insuring public a little more into our confidence and show them, in a concise way, why their rate is what it is? Of course we understand that the schedule, showing the detailed make-up of the rate, is easily obtainable, but that takes time, and the agent does not have it handy when it is most needed. The independent rater of one of our Western States issues the usual estimate of rates, but in addition he has each risk prefaced by a consecutive number, and the first few pages of his rate book are given over to show the specific charges for defects in each risk. For example, one notes that the rate on Risk No. 10 is $1.80 on building and 2 per cent. on stock. By referring to the front pages we find that on Risk No. 10 a charge of 10 cents is made for rubbish maintained; a charge of 25 cents for defective wiring, etc. The assured can thus be readily shown why his rate is higher than his neighbor's, and can also see how his rate can be reduced by making certain improvements. The rate books gotten up in this manner have proven very satisfactory, and by learning just what the penalties are for defects the assured, in many cases, will at once correct same and so lower his rate.

Mr. Barnum was followed by the Hon. James A. Tawney, member of Congress from Minnesota and chairman of the House Committee on Appropriations. He spoke interestingly about the Panama Canal.

THE NEW GOSPEL OF PUBLICITY.

Mr. W. N. Johnson, of Erie, Pa., assistant general agent of the Insurance Company of North America and the Philadelphia Underwriters, read a paper on educating the public about insurance under the title of "The New Gospel of Publicity." He said:

In looking over the "Proceedings of the Fire Underwriters' Association of the Northwest" from year to year you will find the oft recurring refrain—"Educate the Public," showing conclusively that for many years there has been a feeling among its members which has crystallized into this epigrammatic expression of the belief that there was something concerning which it was necessary that the public should be enlightened, and that that "something" was and is fire insurance. It is useless to deny the fact that there is necessity for such education, and it would be worse than folly to ignore it. Look at the situation today in the nineteen States and Territories comprised within the jurisdiction of what is known to us as the Northwestern field. In seven States the form of our policy contract is prescribed by law; in eleven the valued policy law is upon the statute books; in seven the use of the co-insurance clause is prohibited by law; in eleven the anti-compact law paralyzes our efforts to improve the character of risks or to reduce the fire hazard.

Today, more than ever, the attitude of the public, the legislatures and the courts is one of unreasoning hostility, much of which we have, unconsciously, invited. We have estranged the public through our rate making methods and policy form requirements, because we have not thought it worth while to explain to policyholders the impelling reasons, so plain to us, for demanding the rates and forms which were so vital to the very existence of the companies we represented, and so essential to the security of the policyholders themselves. In the face of unfriendly and unjust criticism, burdensome and inimical legislation, we have remained persistently silent. At every session of every Legislature we have been singled out for all of the con-

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tumely and abuse which honest but misinformed legislators could heap upon the "Great Insurance Trust," and have been made the target for anti-trust legislation whenever and wherever a legislature convened. Uncomplaining and without a single word of indignant protest we have, by our own action, induced the legislators and their constituents to honestly believe us guilty of everything charged against us.

Even in the "Courts of Justice," where we have a right to feel that we stand equal before the law, whenever we have had the hardihood to contest some flagrantly fraudulent claim, we have not had the courage to fight the claim on its merits, but have depended upon technical defenses alone, until we can no longer rely upon the precedents established by a long line of decisions in other actions involving like questions, because the courts, believing our defenses lacking in equity and justice, have gone out of their way to establish a new line of decisions which destroy the boasted symmetry of the law and apply solely and only to fire insurance contracts.

Under these conditions what wonder is there that the refrain has become persistent—"Educate the Public"? The wonder is that we have endured our false position so long. The time has at length arrived when this silence is to be broken and when we can no longer blame ourselves or be blamed because we have not removed the veil of mystery which has too long given occasion for the belief that there was something in the fire insurance business which would not bear the light of day.

No doubt every member of this association already knows that "The Union" is about to organize a "Bureau of Publicity and Education" for the purpose of taking the public into its confidence, letting it know that we have nothing to conceal, teaching the property owning portion thereof the fundamental principles of our business and showing why it is for their own interest that the companies should not be prohibited from conducting their business in the only manner which will conduce to the safety of those who rely upon the indemnity they have purchased against impending disaster.

The sole object of this bureau will be to change the present attitude of hostility on the part of the public toward the fire insurance companies to that of cordial approval and mutual understanding, so that it will itself demand the repeal of those obnoxious and hurtful laws which now so seriously prejudice our mutual interests. This object can only be attained by a frank, truthful and open exposition and discussion of the fundamental principles of our business, so that the public may be enabled to form a just and intelligent understanding concerning the same.

INFORMATION NEEDED BY THE PUBLIC.

It needs and is entitled to full and definite information upon the following subjects:

The Fundamental Principles of Fire Insurance, embracing
- An outline of its purpose and operation.
- An explanation of the various policy conditions.
- The difference between and purposes of specific and blanket insurance.
- Reasons for the use of the co-insurance, average and other clauses, with an explanation of their effect in the settlement of losses under specific and blanket insurance.
- Mutual and stock insurance, points of similarity and difference and the good and bad features of each.

Rates.—How made.
- How property owners practically make their own rates.
- How schedule rating is gradually, but surely causing improvements to be made in buildings already erected; securing better construction in buildings in course of erection or to be built; reducing the hazards, both internal, external and exposing; eliminating or minimizing fire breeding areas and reducing the rate cost to property owners.
- Showing why there should be no discrimination in rates of fire insurance any more than in rates of transportation by water or by rail.
- Showing why rates should be based upon general instead of local experience.

Improvements.—How induced and credit for same.
- Benefit to assured and to community.
- Why municipal authorities and State legislatures should require the same.

Fire Protection.—Water supply.
- Fire departments.
- Paved streets.
- Underground wires.
- Electrical supervision.
- Building code.
- Municipal regulations.

Classification.—Necessity for uniform classification.
- Why all companies should be required to keep the same and to observe uniform rates based upon such general experience.

Trust or Monopoly.—Why an insurance trust is an impossibility.

Expenses.—Cause of increase.
- In what direction they may be curtailed.
- How and why the public can be instrumental in reducing same.

Capital and Surplus.—The object and purpose of each.
- Necessity for accumulating a large surplus to provide for abnormal losses.
- Companies should be required to provide for such accumulation and rates should be based upon a conflagration reserve in addition to the usual charges for ordinary losses.

Unfriendly Legislation; referring particularly to the Valued Policy, Anti-Compact and Anti-Co-insurance Laws; laws prohibiting companies from agreeing as to the cost of conducting the business, and laws enlarging or restricting the duties and obligations of agents and brokers, and explaining why these laws inflict serious injury upon every honest holder of an insurance policy.
- The laws with respect to taxation should also be fully explained and the public shown that if the companies are taxed as they now are the rates of insurance must be loaded not only with the full amount of such tax but also with the cost of collecting the same.

Conflagrations and Fire Waste.—Showing the enormous annual fire waste under normal conditions.
- How such annual waste is increased by occasional general conflagrations.
- Possibility and probability of even greater conflagrations in the future.
- Duty of the public to assist and encourage fire insurance companies in their efforts to reduce the fire waste and minimize the conflagration hazard.

Mr. Johnson pleaded for an earnest effort to arouse the public to a realization of the enormous drain upon our resources by the fire waste, a waste aggregating in the past five years to the sum of $1,260,000,000 in values. After dwelling on this fruitful topic at some length Mr. Johnson continued:

HOW THIS INFORMATION IS TO BE DISSEMINATED.

First—By addresses before legislative committees, meetings of insurance commissioners, boards of trade, chambers of commerce, business men's associations, and other public and social organizations.

Second—By articles in the daily newspapers, insurance journals, trade papers and magazines. By circulars for distribution to the general public, to schools, colleges and universities, and also for distribution through the mail by leading business houses to their correspondents. We confidently expect valuable assistance from the daily press and periodicals, for no man and no corporation ever looked in vain for fair treatment from journalists and newspaper men so long as there was no attempt at misrepresentation, mystery or concealment.

Third—By securing the assistance of the field men, local agents, State and district raters, electrical, hydraulic and sprinkler inspectors, and, if possible, by securing the co-operation of the State and national associations of local fire insurance agents. To the members of this association must fall a large share in the work and in the responsibility for its success. It matters not whether you are connected with a non-affiliated or with a Union company or whether your sympathies and your predilections are arrayed with or against the Union, you and your company are equally concerned in the results to be secured by our united and harmonious efforts through the medium of this "Bureau of Publicity and Education." We must all engage in the common cause to the end that we may accomplish the most for the common good.

This association, as such, has not performed and does not perform any function outside of and beyond that which transpires at its annual meetings, but the influence of its more than 800 members, traveling over more than a score of States and coming daily into contact with fully 25,000 local agents, is so great and so far reaching that you cannot—you must not—omit a single opportunity to advance the cause, which means so much to the companies we represent and to the public whom we serve.

A NOBLE PROFESSION.

First and foremost we must come to a realizing sense of the fact that in the course of its evolution the business of fire insurance has developed from an occupation to a noble profession, of which we are part and parcel, of which we should be justly proud and which demands and deserves our best efforts and every talent we possess in the promotion of its interests. How

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few among us pause to consider that there is no factor among modern business activities which has so far reaching and so beneficent an effect upon the material and moral welfare of the people as our present methods of conducting the fire insurance business.

I do not wish to be understood as intimating that we are conducting the insurance business as a philanthropic enterprise, but that the very processes by which we seek to make the business profitable serve to produce the most beneficial results to the communities in which we operate. When we enter some town without fire protection, with unpaved streets, with dried up lawns, unpainted houses and a general air of dilapidation, and, by the only means we possess, secure the installation of fire department, waterworks and paved streets, we look to the material improvement of the town as a fire risk, overlooking the improvement of the moral atmosphere which surely follows. Green and well kept lawns, freshly painted houses amid their screens of shrubs and flowers soon transform the old and shabby town into a community where every householder has a pardonable pride in his own home, and where every citizen has become imbued with that civic pride which makes for better police regulations, better laws and better morals.

This work is constant and somewhere, day by day, we are aiding in making this country better, although our direct purpose is to reduce its fire waste. We have usurped the duties of negligent and unwilling municipal bodies, and are today compelling better construction, more efficient building laws, better streets, modern sanitation, improved fire departments and increased water supply, safer electrical equipment, the elimination of fire breeding areas, more thorough police protection, and in hundreds of ways we are doing everything possible to give added security to health, to life and to property. The very nature of our business has forced these duties upon us, and in no other manner could they or would they be so effectively performed.

When we realize that we, as underwriters, are doing our share in this great work—realize also how important and beneficial are our relations to the public, we cannot escape the conviction that our work is but half done, so long as the public fails to recognize the fact that our interests are identical with its own, and that instead of being its enemies we are working for our mutual interests and for the common good.

We are so impressed with the magnitude and the importance of the undertaking we are engaging in, and feel so certain that success awaits a persistent, intelligent and united effort, that we unhesitatingly ask your cheerful and enthusiastic assistance and support of the new Bureau of Publicity and Education. We ask you to become evangelists of the new Gospel of Publicity, believing that with the wisdom, the courage and the enthusiasm we possess in our own ranks, we have the best of reasons for hoping—not for the millennium—but for the coming of the time when the public and the representatives of fire insurance companies may be found standing shoulder to shoulder in the effort to reduce the enormous fire waste of this country, and when the beneficent purpose of fire underwriting will be understood and respected as it should be.

At the opening of the afternoon session Mr. Dwight H. Perkins, president of the Illinois Chapter of the American Institute of Architects, was introduced. His theme was "The Relation of Insurance Companies to Architects."

MR. BATCHELDER ON EVOLUTION IN FIRE UNDERWRITING.

Mr. George H. Batchelder, of Chicago, assistant Western manager for the Delaware Reliance and Rochester German insurance companies, came next with a paper on "Evolution." He said in part:

When we at first attempt to make comparisons in connection with the general evolution that has taken place in this country, and see so many weak spots in the fire insurance business, due chiefly to greed, lack of business sense and sane methods, we find ourselves at once inclined to be pessimistic; but, remembering that pessimism has no place in our business, that optimism must be our watchword, we realize that in the diagnosing of our case, that in pointing out our ills, it should be with the one object in view always, of trying to discover the remedy. Therein lies the difference between the optimist and the pessimist, the latter confining his efforts entirely to discovering the disease and deploring the existence of the "bacilli." As to the physical progress that has taken place in this country no argument is necessary. We all know what it embraces, so far as our interests are concerned; the changes in methods of construction, the increase in fireproof areas in large cities, thereby reducing the conflagration hazard; the improvements in electrical installations and equipments, fire fighting devices, and so on. We know there can be found much cause for criticism as to workmanship and details, but we must admit that conditions are, just the same, constantly improving. Automatic sprinklers have been in use long enough to prove their efficiency; new manufacturing plants are of better construction, and, as a rule, of smaller burning areas. In fact it is difficult to pick out any branch of industry or science in which development and progress have not been made.

It is true that this very evolution in some instances has resulted, per se, in an increase of fire hazard, owing to the discovery of new processes, new chemicals and new explosives; but being distinctly in the line of general progress, it is up to us, so to speak, to meet and solve the question of the protection of such new hazards.

I think one of the distinctive features incident to the many changes that have taken place in the world has been "specialization." We find it in every branch of industry, science, in all professions, even including the clergy.

In years gone by the handling of insurance interests was centralized, but today we have, among other special features, the public adjuster for the company, the public adjuster for the assured, State insurance departments, inspection and rating bureaus, the insurance journal, the insurance lawyer, the fire marshal and the National Association of Local Agents.

The public adjuster for the company is an adjunct indicative of the growth and importance of the fire insurance business, resulting in the absolute necessity for specializing. As an institution it is comparatively new. At first the public adjuster was regarded by the assured with suspicion, but his methods as a rule have been so imparitial, and his experience and ability sufficiently great, as to entirely dispel any feeling of distrust. The public adjuster for the company is here to stay. His constant immersion (if I may use the word) in the adjustment of fire losses enables him to meet perplexing questions and situations for which the specialist is best equipped.

The public adjuster for the assured, as an institution, so to speak, we must recognize as a logical sequence in large cities. The benefit, or otherwise, he may prove to the public depends entirely upon the character of the individual engaged in the business. Granted he is honest and capable, his mission can be fulfilled satisfactorily, both to the company and to his client. But if he is dishonest he is one of the worst parasites of the business, and one for whom no word of condemnation can be strong enough. * *

The success of the new rating and inspection bureaus must of necessity depend upon the efficiency, tact, discretion and absolute impartiality of the rate makers, but we have every reason to believe that this most important departure will result beneficially from every point of view, and it should have the hearty support of all companies.

The insurance journal of today is a credit to the business. It is true that we sometimes think the market is a little overstocked, but that is what the local agent in the small town says of the companies.

The insurance journal, aside from its value as a purveyor of insurance news, is a medium for the exchange of ideas. It is just as necessary as the daily newspaper, and, considering the publications of today as a whole, it is far above the average in ability, integrity and courage. It is the outgrowth of a progressive age. The insurance lawyer, another specialization, confined of course to the larger cities, is an absolute necessity. Like the telephone, we wonder how we ever got along without him. It is necessary in this day of "organized complexity" that a man be available in case of need who has been able to post himself on the subject of fire insurance, and who is a specialist in all that the words "insurance law" signify.

Among the many weak spots today in our business are our lack of courage, in failing to stand by our guns in cases of questionable losses and unjust claims, on account of possible injury to agency interests or to the local reputation of the company, and undue haste in settling losses, for the desired purpose of securing a little cheap local popularity. The latter is indisputably a short sighted business policy, to say the least.

These two weaknesses—lack of courage on the one hand and undue haste on the other (and every company is more or less guilty)—are more serious than we will allow ourselves to believe. The effect on the public mind should be considered, not merely the effect upon the individual. If we wish the public to understand that we are charitable organizations this course in settlement of losses would possibly be consistent, but I do not believe that our stockholders look at it from that point of view.

The fire marshal is an office that has been created in but comparatively few States, but is one that is needed in all States, one that can accomplish great good, both in the apprehension and

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prosecution of criminals and in the enforcement of laws. The work that has been accomplished by fire marshals in the few States where the office exists should certainly serve as a practical example of their usefulness. The National Association of Local Agents is an innovation of comparatively recent date, and can be a power for great good. One of the chief difficulties with which they have so far had to contend is in arousing sufficient interest among agents in the smaller cities and towns to make their State associations really representative.

They should bend every effort toward securing the enlistment in their ranks of every reputable agent. Only by so doing can they accomplish the objects for which they were organized, one of which is the "maintenance of correct practices," and we know what that would mean in several States where chaotic conditions reign at present.

There is a new factor of some importance in our business—one not directly connected therewith—and that is the National Credit Men's Association, a specialization, the result of evolution and progress in commercial lines. This association is composed of the representatives of the very best commercial houses in this country. * *

While it cannot in any sense be termed an evolution, a very important factor which is driving the wedge deeper all the time is a certain class of foreign competition, to which our attention has very recently been called. This is a matter of serious import to both the company and local agent. This is not the time nor place to discuss the question, but I feel it should be mentioned as a menace to the agency business. A serious problem is staring us in the face. If any sort of foreign competition not subject to State taxation or State laws of any kind can not only take our business away, but at the same time deprive the local agent of his livelihood, and the State of its revenue, surely some drastic measures should be considered.

ELECTION OF OFFICERS.

Horatio N. Kelsey, Western manager of the Sun insurance company of London, was elected president of the association without opposition. Neal Rowland, Ohio, State agent of the London Assurance Corporation, was made vice president, and Nelson W. Briggs, of Chicago, was re-elected secretary. W. R. Townley, of the Western and British America, and J. G. S. Best, of the Girard, were candidates for the treasurership, and a spirited fight took place, Mr. Townley winning.

The directors elected are: C. W. Higley, Hanover; F. T. Wise, Home; George H. Bell, North British and Mercantile, and Carroll L. DeWitt, Newark, all of Chicago; P. E. Basse, Milwaukee, American of Newark; Horace L. Spice, Detroit, Germania Fire; George S. Valentine, Des Moines, Prussian National; George A. Mowry, Minneapolis, German American, and Charles L. Easton, Milwaukee, Northern.

The gathering this year was regarded as the most successful of the series of thirty-nine.

The Right of the Union Central Life to Increase Its Capital from Surplus on Non-Participating Business.

A friendly test suit has been filed by Attorney General Wade Ellis of Ohio against the Union Central Life of Cincinnati to determine definitely the right of the company to increase its capital stock from $100,000 to $500,000 by declaring a stock dividend of $400,000 paid for out of funds declared to be surplus accrued from non-participating business. The action takes the form of quo warranto proceedings to oust the company from its charter rights in Ohio on the ground that the company has misused the franchise privilege and right conferred on it by its incorporation, and has tried to use a franchise privilege and right in contravention of law, claiming to be a joint stock company with a fully paid up capital stock of $500,000, whereas the claim of the State is that only $100,000 is paid up.

The Union Central Life filed its answer to the suit simultaneously, denying the allegations of the State. It will be recalled that last winter the company lost after various appeals the suit instituted by the State to recover the taxes on certain of the company's funds which the Union Central declared were not returnable for taxation. It was contended at that time that the funds taxed were the money of the policyholders and not of the company. The contention being overruled the amount of taxes due was ordered paid. It was after this that the capital was increased by $400,000 by setting aside said sum from surplus account which was claimed to be from the non-participating business of the company. Stock was issued for the amount of the dividend declared, thus bringing the capital of the company up to the half million dollar mark.

This arrangement failed of approval at the hands of Insurance Superintendent Lemert, and the suit of the State to determine the matter was then begun. According to the contention of the State, the articles of incorporation filed with the Secretary of State February 2, 1867, provided for a capital stock of $500,000, but limited the amount to be issued without specific action by the stockholders to $200,000. This amount was never issued so the State claims, and on January 25, 1895, the bylaws were amended to limit the capital stock to $100,000, on which stock dividends of 5 per cent. were paid semi-annually. It is alleged that the company kept no separate accounts of the participating and non-participating business, and that the profits of all classes of business went into a common surplus fund.

On December 31, 1907, this fund amounted to $2,422,184.25, and there had never been a distribution from it. By the report of December 31, 1907, the surplus was separated into $1,642,396.25 on participating and $779,988 on non-participating business. The stock dividend of $400,000 was issued pro rata to stockholders of record as of June 16, 1908.

The petition further claims that the company is attempting to pay annual dividends of 10 per cent. on the increased capitalization of the company, amounting to $40,000 a year on the new stock, to be a charge on the assets of the company and superior to the dividend of the participating policyholders, and so contrary to the contracts entered into with these policyholders prior to the issuance of the capital stock.

In its answer the company admits the allegations as to fact. It denies that it is in contravention of law or of the provisions of its franchise, and states that the separation of surplus was made to comply with the requirements of certain of the States, also of the State of Ohio, which now requires such separate accounts of surplus.

The capital, it is claimed, was increased in response to the laws of several States which require a life insurance company to have $200,000 capital prior to admission to do business. The company claims that the stock dividend was declared upon the advice of its counsel that the surplus accruing from non-participating business was the property of the stock holders. The suit is an important one, and will be watched with much interest by life insurance officers generally.

The Amazing Life Insurance Legislation of New York.

(From President Kingsley's Address to the Field Organizers and Agents of the New York Life at Frontenac, N. Y.)

Wisconsin has recently fixed the maximum premium which a life company may charge, and Missouri has placed a limit upon the amount of salary that may be paid to an executive officer. These are of course flagrant violations of the right of contract, but they pale into insignificance in comparison with the so called "Armstrong laws" enacted in New York in 1906. Other States have only violated a few of the principles which should control the regulation of life companies; New York has broken the whole decalogue. In their zeal and fury for reform the legislators of the Empire State have abolished the right of contract, taken away the discretion of trustees with respect to the amount of surplus a company may hold and how it shall be distributed, limited the business a company may do, and fixed the compensation of a large proportion of its employees. Although much has already been said and written respecting the recent legislation

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in New York, I believe that neither the public nor the companies themselves have yet opened their eyes to the enormity of it with respect to the principles which it violates. * * *

SECTION EIGHTY-SEVEN

of the New York insurance law, which fixes the contingency reserve that life insurance companies may hold, is the most amazing piece of legislation ever put on the statute books of the State. It limits the amount of this fund by a sliding scale, beginning with 20 per cent. for the smaller companies and ending with 5 per cent. for companies with over $75,000,000 of reserve liabilities, and requires annual distributions, as earned, upon each policy issued after January 1, 1907.

It is necessary to go back to first principles—the very a b c of business—in order to appreciate the mischievous character of this statute. What is the nature and the function of surplus in any business? It is the amount shown by the balance sheet in excess of liabilities, and its function is to provide for contingencies and thus assure the safety of the business. In every other business—and in life insurance until 1906—a large surplus is considered a sign of conservative management. I think the statute book of New York will be searched in vain for another instance where the State has sought to limit the surplus of a corporation. In all previous legislation concerning moneyed institutions the State has sought to secure safety. This statute limits the margin of safety.

It not only limits the margin, but it makes this margin different in different companies. It is partial legislation—it is class legislation. It enacts such inequalities and absurdities as these—that for a $100,000 dollar liability a surplus of 20 per cent., or $10,000, whichever is greater, is necessary; for a $1,000,000 liability a surplus of only 15 per cent. is necessary; for a $15,000,000 liability a surplus of only 10 per cent. is necessary; while for a liability of $75,000,000 and upward a surplus of only 5 per cent. is sufficient.

The State has fixed the standard of a life company's liabilities under its policies; it has declared in what kinds of securities its funds shall be invested; but it does not guarantee that the death rate assumed will not be exceeded, nor that the interest rate assumed during the whole existence of its contracts will be earned, nor that the value of its securities will remain stable. And when the larger companies, whose beneficiaries number millions, seek to guard against adverse contingencies of every kind by a reasonable percentage of surplus, the State steps in and says: "Divide up and pay out all but 5 per cent. on your liabilities even when prices of securities are highest!"

Is this a wise, or proper, or reasonable exercise of the regulating power of the State? The only attempt ever made before to limit the amount of surplus of a life company was made in Massachusetts twenty years ago; and then a proposition to make the limit 10 per cent. of liabilities was voted down. The life insurance charters granted by the State of New York prior to the enactment of the first general insurance law, and the early charters taken out under this law, sought to provide for the strength and safety of the companies, either by deferred dividends payable at the death of the insured, or by scrip dividends, the redemption of which was deferred. It remained for the Legislature of 1906 to limit the amount of what is essential to the safety of a company, to compel an annual distribution, and to prohibit the issue of policies with longer distribution periods.

SECTION NINETY-SEVEN

of the New York insurance law, limiting expenses, should be entitled "An act to fix the wages or compensation of life insurance agents, examining physicians, inspectors, agency directors, cashiers, and of clerks, stenographers and office boys engaged in the business of life insurance, and to fix them low." We have heard much in this country, and are hearing much now, about laws to favor men who work—laws that will raise wages and raise the standard of living above that of other countries, but I think this is the first attempt to lower wages by law—or to fix by law a maximum wage for any large body of workers. The law not only prescribes a maximum amount that may be paid by a life company for new business, but it goes farther and prescribes how this amount may be parceled out, and when it may be paid. It has already reduced the compensation of a body of men whose work is most helpful to the State, and has driven a large number of them out of business.

You will notice that this section involves a very different principle from that involved in a law fixing a railroad rate, or the price of gas or of electricity. There the price of a commodity is fixed; here the price of labor is fixed. To make a parallel to Section 97 in the field of transportation, the State would need to fix a maximum amount to be expended in wages for ticket agents, conductors, freight agents, engineers, firemen and trainmen. To make a parallel in the field of manufactures it would be necessary to fix the maximum percentage of the value of the manufactured product to be expended for labor. Everyone can see not only how unwise such laws would be from an economic point of view, but also how unwise, how unjust and how impolitic they would be. They are equally unwise, unjust and impolitic in the field of life insurance.

Should there be no limit, then, to the expenses of a life company? That would not follow as a necessary result of the repeal of Section 97. The life companies fix a maximum price for insurance. That price is determined by three factors, the assumed mortality rate, the assumed interest rate and the loading for expenses and contingencies. The companies have a right to say, everywhere except in Wisconsin, at what price they will undertake to furnish insurance; and the State has a right to see to it that they carry out in good faith the plans of insurance they adopt. These plans involve the setting aside of certain amounts every year to insure the ultimate fulfilment of their contracts, and this the State secures by its yearly valuation of policy liabilities and its insistence on definite policy reserves.

Why shouldn't the State stop there and leave the question of expenses and of surplus to the companies themselves? The managers of every company will be interested first in the company's safety, and, second, in making large returns to policyholders in order to secure new business.

Section 97 does indeed permit a total expense equal to the loading of its premiums, together with certain estimated mortality gains and a small charge for investment expenses. But see what absurdities this involves. First, it puts a premium on inefficiency and a handicap on the efficient company. A company may sit down and do nothing, and it is allowed to spend all the loading on all its premiums; if it insures additional people, it may only spend the additional loading on the new premiums, together with the estimated mortality gains on the same. In short, new business must cost no more than old business except its estimated mortality gains. The law is very severe upon estimated results of maturing policies, but is itself guilty of making estimates upon mortality savings and allowing companies to spend them in advance.

There is another grave inconsistency in the law which should be pointed out just here. Section 88, which regulates the surrender value of lapsed or forfeited policies, allows a certain surrender charge—that is to say, a company is allowed to retain a certain part of the funds which it holds as a liability under a policy, at surrender—when of course all liability on account of it ceases. This surrender charge, therefore, adds so much to surplus. In all discussions of the subject of surrender charge it is justified on the ground that if a policyholder leaves the company of his own free will he must make good to the company the loss of a healthy member.

In other words, the surrender charge is supposed to be sufficient to put a new member in place of the one who withdraws, or to provide for the increased mortality which results from the withdrawal of healthy members. But, while the law provides a proper surrender charge, it does not allow a company to use it for either of the purposes for which it is retained—it may not use the surrender charge either to secure new business or to increase its surplus above the limit fixed by law—it must pay it out in dividends.

The claim is made in behalf of Section 97 that every year's business should take care of itself. The claim as made is fallacious, and is utterly opposed to the whole plan of life insurance on the legal reserve plan. The assumption leads straight to assessmentism. Real life insurance is not year by year insurance, but insurance for a term of years or for life, with premiums calculated for the whole term. The cost of mortality is not the same in any two years, but the premium is the same every year. The cost of administration is not the same every year—is always larger in the first year than in other years—but the loading for expenses is always the same. Insurance is a matter of averages first, last and all the time—averages on lives, averages on ages, averages on years, averages on expenses—and when you break up the integrity of the system and attempt to administer it by piecemeal you only mar it and maim it.

There are also several general and entirely logical reasons why the companies—especially the mutual companies—should be freed from the shackles which Section 97 imposes. The State has prescribed in great detail the contracts they may issue. It has declared that they shall pay dividends annually—which makes it possible for every policyholder to know exactly what his insurance costs. It has legislated out of office all the trustees of mutual companies and held an election for new trustees under its own auspices. It has placed the companies in the hands of the insured by its own methods. It has provided for full publicity as well as for an annual accounting.

Now, if the companies are to be mutual in any sense whatever

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—if they are to be allowed to manage their own affairs within the limits of the contracts which they are required to issue—then the trustees, as the representatives of the insured, should be allowed authority to manage the business within the general limits which I have suggested. Otherwise the State becomes a meddler and an oppressor.

SECTION NINETY-SIX

of the insurance law limits the new business which New York companies may do by a sliding scale similar to that by which Section 87 limits the amount of contingency reserve which companies may hold. In its practical application it allows the smallest company to write an amount equal to 30 per cent. of its business in force, and the largest company an amount equal to 7½ per cent. Here again I beg leave to call attention to the principles of equality and right which are violated. The companies of proved efficiency are handicapped; the laggards are favored. The Great Teacher declared as a general principle that the man who made good use of his opportunities should be given larger opportunities; but our legislators have reversed the Scripture and given the greater opportunities to those who have hitherto accomplished little. Having regulated every step of the business from the form of contract to the manner of its payment, the State goes still farther and limits the amount of business a company may do in any form and at any cost. Beyond a certain fixed point it abolishes competition, which in other businesses is relied upon to hold the balance true between producer and consumer.

RECAPITULATION.

Let us recapitulate now a few of the violations of well established principles perpetrated in the insurance act of 1906:

First—The fossilization of the policy form and the removal of all practicable methods for its further improvement. The policy form of New York State is now almost a dogma.

Second—A reversal of all previous legislation which aimed to secure solvency above everything else, and an enactment which, if it remains, may work incalculable disaster.

Third—A flat denial of the right of contract.

Fourth—Fixing a maximum wage by law.

Fifth—Destruction of individual initiative through laws which explicitly limit what men may legitimately accomplish in a calendar year.

Sixth—Destruction of great plants which were doing a thoroughly beneficent work.

Seventh—Class legislation which openly aimed to handicap certain companies and help others.

What now is the real test of excellence in such a business? What is the successful company—the company that most benefits the State? Surely not the company that merely takes out a charter, offers a good contract and insures a few hundred or a few thousand people—no matter how small may be the cost of administration. The successful life company is the company that insures many lives. This is the company that benefits society—that benefits the State. This is what the State is interested in having done. This is the company the State should encourage—and not put obstacles in its way. From the standpoint of the State the good company is the efficient company. The State need not take cognizance of the cost of insurance any more than it needs to take cognizance of the cost of the product of any other industry—competition and the natural desire to buy in the cheapest market will ultimately take care of the question of cost. * *

Report on the Effect of the Robertson Law of Texas Submitted by Robert Lynn Cox at the Bi-monthly Meeting of the Association of Life Insurance Presidents October 2.

At the bi-monthly meeting of the Association of Life Insurance Presidents, held in New York October 2, General Manager Cox submitted the following report on the effects of the Robertson investment law in Texas:

Reduction of revenue to the State Government, a falling off in investments by outside capital and loss of protection to families from death have followed in the wake of the enactment of the Robertson compulsory investment law in Texas. Ostensibly designed to bring additional foreign capital to the Lone Star State, this measure has not only utterly failed of that purpose, but has handicapped the people of that State in other respects. With the law in operation one year on July 11 of the present year sufficient data are now on hand from official reports to make interesting comparisons of the effect of this new statute.

Briefly, the Robertson law requires that every life insurance company operating in Texas shall invest three-quarters of the amount of its Texas reserve—that is, the amount set aside to mature policies—in Texas securities. There is also a provision requiring the deposit of such securities in Texas and subjecting them to taxation, but that has been waived by the Commissioner of Insurance.

Twenty-six foreign companies doing 80 per cent. of the entire old line life insurance business of Texas withdrew from that field upon the enactment of the Robertson law or shortly afterward. There remained twenty-two companies, and to these have been added ten companies which entered the field after the other companies had retired.

The twenty-six retiring companies, at the time of their withdrawal, had $226,185,000 insurance in force. The twenty-two remaining companies had $54,449,000 insurance in force.

The direct loss in revenue to the State of Texas in one year, as a result of the operation of the Robertson law, is $145,000. The twenty-six retiring companies paid in taxes in 1907, based on their business in 1906, $167,471, as against $31,261 paid by the twenty-two remaining companies. On April 8, 1908, the Commissioner of Insurance announced that all the taxes collected in 1908, based on the 1907 business, amounted to only $53,255.

The loss of new business, which from the citizens' point of view means the loss of just so much more protection for their families, is even more striking. The twenty-six companies which retired from the State in 1907, wrote $35,561,000 new business in 1906, while the companies that remained wrote $28,504,000, a total of $64,065,000.

During 1907 the companies that remained in the State wrote $35.804,000. There were ten new companies which entered the State in 1907 and wrote $1,356,000, making a total of $37,160,000 for that year. This does not take into account $12,081,000 new business written during the early part of the year by the companies which retired. The new business in 1907 of the companies remaining in Texas showed an increase of only $7,300,000 over the amount they did the year before, which sum does not approach the share of new business done each year previously by the retiring companies. Then, too, an examination of the details of this increase shows that it comes from the business of two companies more or less famous for their board contract and agency stock schemes, which kind of insurance Commissioner Love is justly trying to prohibit. The exact increase contributed by these two companies is $7,357,850. So the other companies collectively did not quite hold their own.

If the home companies of Texas expected their business would increase as a result of the retirement of the twenty-six foreign companies, they must have been disappointed, for aside from the increase shown by one company doing a board contract business, they experienced an actual falling off of $1,500,000 new business. The figures speak for themselves. During 1906 the five Texas companies wrote $15,762,000 new business, while in 1907 their new business amounted to $18,420,000, an increase of $2,658,000. The company above referred to, which obtained a temporary injunction to restrain the commissioner from interfering with its writing of board contracts, showed an increase in new business of $4,158,000. Thus it will be seen how large a decrease the four other companies collectively suffered. It appears, therefore, that neither the local Texas companies nor the companies of other States which were doing a legitimate business profited by the withdrawal of the twenty-six companies. The loss in new business was just so much loss of protection to the people of Texas, which would otherwise have been afforded by the business of these twenty-six companies.

Alluding to the fact that the chief advantage claimed for the Robertson law by its backers was that it would compel a flood of capital to flow into Texas, the report enters into an inquiry as to what investments have been made by the companies remaining in or entering into the State since a compulsory law went into effect compared with a year's voluntary investments by foreign companies before the law went on the statute books. The report says:

The investments made under compulsion in Texas by twenty-two foreign companies there, exclusive of policy loans, during one year's operation of the Robertson law, amounted to $809,436.94.

The investment voluntarily made in Texas in 1905 by four of the twenty-six companies which retired amounted to $2,866,543.

The investments voluntarily made in Texas in 1906 by the same four companies amounted to $1,986,627.

So in 1905 four companies of their own free will invested in Texas securities more than three times the amount which twenty-two companies, under a compulsory law, have loaned in one year.

And, in 1906, four companies, pursuing their usual policy of

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FIRE INSURANCE AGENTS
CAN GET
LIBERAL COMMISSIONS
ON CASUALTY LINES
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placing investments to the best advantage for their policyholders, bought $1,986,627 in Texas securities, or two and one-half times as much as was invested the last fiscal year by twenty-two companies under the compulsory system.

The report discusses the question raised in some quarters whether railroad bonds should be classified as a local investment, and holds that they are Texas securities to the extent that they represent railroad mileage in that State. The report concludes as follows:

Summing up the results of the operation of the Robertson law for one year, it is seen that the net results for the people of Texas is the loss of $145,000 in taxes; the loss of $15,000,000 insurance for the protection of families in the case of death, and a falling off of $2,057,106.06 in new investments, as compared with 1905, or a reduction of $1,177,190.06 in new investments, as compared with 1906. The law also has had the result of driving from both the investment and insurance field of Texas many of the strongest insurance companies in the world.

This was not done in the interests of the policyholders in these companies, but for the purpose of compelling the companies to conduct their business with regard primarily for the interests of the State as a whole. Experience seems to show most conclusively that the law has so far been most disappointing from even this standpoint. The way to treat this law is not to amend it, as its former friends now frankly admit should be done, but to repeal it entirely.

RESOLUTION ADOPTED BY THE ASSOCIATION.

After the reading of the report on the effect of the Robertson law in Texas, the association adopted the following resolution:

Resolved, That the amendments to the Robertson law of Texas, which, according to newspaper accounts, are conceded now to be necessary by the former friends of the law, will not in our judgment render the law satisfactory to life insurance companies, in that it is proposed to retain the compulsory investment feature of the law. Such a law, if it has any effect at all, has a tendency to permit the company's desire to extend its business and to protect established agency organizations, to exert an undue influence upon its investment department. It leads to risk and encourages specualtive investment inconsistent with policyholders' interests, which demand that security of the fund and a fair rate of interest shall be the first and controlling factor in the making of every loan.

Therefore, we respectfully urge all companies which retired from Texas on the enactment of the law to unite in demanding the repeal of the compulsory investment feature of it, as well as the repeal of those features which were found to be so impracticable that they were never put into operation.

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The Connecticut Mutual Life Insurance Company
Stands alone among the American companies of any note, in having repaid to its members, their beneficiaries and estates, in annuities, endowments, death claims, surrender values and dividends, more than it has received from them in premiums. These are the totals:

Received since organization—1846	$249,356,745.45
Repaid as above noted	253,641,382.54
Excess over amount received	4,284,637.09
Assets December 31, 1907	65,003,271.10
Surplus December 31, 1907	2,326,657.25
Insurance in force December 31, 1907	174,716,005.00

President, JOHN M. TAYLOR.

FIREMEN'S
Insurance Company of Newark, N. J.
ORGANIZED 1855

CAPITAL,	$1,000,000.00
ASSETS,	4,701,068.80
SURPLUS TO POLICYHOLDERS,	3,148,371.45

DANIEL H. DUNHAM, President CHARLES COLYER, Vice-President
A. H. HASSINGER, Secretary
WHITON & MERGES, Agents, . . 73 William Street, New York
LEWIS & FREAR, Agents, . . . 145 Montague Street, Brooklyn
H. W. BEALS, Suburban Agent, . 76 William Street, New York

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THE

PENN MUTUAL LIFE

OF PHILADELPHIA

HAS FURNISHED

PERFECT PROTECTION AT PROPER RATES

For 60 Years

Our agents are representative citizens of their respective communities.

1860 48TH YEAR 1908

HOME LIFE INSURANCE COMPANY

OF NEW YORK.

GEORGE E. IDE, President

ASSETS, $20,004,853.63. LIABILITIES, $19,235,418.20.
(Including Dividend-Endowment Fund)

Dividend-Endowment Fund (Deferred Dividends)	$1,795,020.00
Net Surplus	769,435.43
Insurance in Force	86,193,296.87

The forty-eighth annual report shows a gain in the amount of insurance in force; that assets were increased nearly $1,000,000, and that over $300,000 was paid to policyholders in dividends.

THE

Empire State Surety Co.

Executive Office: 84 William St., New York.
192 Montague St., Brooklyn.

General Surety Bonds Plate Glass
Liability Burglary
Boiler
Personal Accident and Health Insurance

OFFICERS:

WILLIAM M. TOMLINS, JR., . . *President*
Moses May, . . } *Vice-Presidents*
Willard P. Reid, }
Walter J. Moore, }
R SKeelor, M.D. }
Daniel Stewart, . . *Secretary*
Alfred J. Hodson, . *Ass't Sec'y*
Warrel S. Pangborn, . *Treasurer*
Hugo Hirsh, . *General Counsel*

1825. THE 1908.

Pennsylvania Fire Insurance Co.

OF PHILADELPHIA.

Cash Capital	$750,000.00
Reinsurance and all Liabilities	4,096,833.14
Surplus	1,615,283.97
Total January 1, 1908	$6,462,117.11

R. DALE BENSON, Pres. W. GARDNER CROWELL, Sec.
JOHN L. THOMSON, Vice-Pres. HAMPTON L. WARNER, Asst. Sec.
WM. J. DAWSON, Sec. Agency Dept.

Insurance Co. of North America,

232 WALNUT STREET, PHILADELPHIA.
FOUNDED 1792.

Assets, January 1, 1907		$10,748,864
LIABILITIES—Reserved for Reinsurance and all other claims	$6,705,870	
Capital Stock	3,000,000	
Surplus over all Liabilities	1,042,994	$10,748,864

Agents in all the principal towns and cities.

CHARLES PLATT, President.
EUGENE L. ELLISON, Vice-President.
BENJAMIN RUSH, Second Vice-President.
GREVILLE E. FRYER, Secretary and Treasurer.
T. HOUARD WRIGHT, Assistant Secretary.
HENRY W. FARNUM, Marine Secretary.
JOHN O. PLATT, Assistant Secretary.
Offices in New York: Fire, 51 William St.; Marine, 63 Wall St.

SAMUEL GANS President
LEOPOLD GANS Vice-Pres. & Gen'l Mgr.

SAMUEL GANS CO.

186-188 WOOSTER ST., N. Y.
New York Chicago Atlanta

Renovators of Fire and Marine Salvages

Telephone: 580 Spring

Stocks handled at lowest percentage consistent with proper results, accompanied always with Cash Guarantee. Our methods fortify adjusters in advance of closing loss.
Always telegraph or telephone at our expense.
Expert advice cheerfully given.

EDWIN W. WILE, Resident Manager
Home Office: Chicago, 207-209 E. Madison St.

[FIRE]

German American Insurance Company New York

STATEMENT JANUARY 1, 1908

CAPITAL
$1,500,000
RESERVED FOR ALL OTHER LIABILITIES
7,592,685
NET SURPLUS
4,415,353
ASSETS
13,508,038

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HOME OFFICE OF THE

Metropolitan Life Insurance Co.

INCORPORATED BY THE STATE OF NEW YORK

The Company OF the People, BY the People, FOR the People.

PROOF OF PUBLIC CONFIDENCE

This company has more premium paying business in force in the United States than any other Company, and for each of the last 14 years has had more New Insurances accepted and issued in America than any other Company.

The number of Policies in force is greater than that of any other Company in America, greater than all the Regular Life Insurance Companies put together (less one), and can only be appreciated by comparison. It is a greater number than the Combined Population of Greater York, Chicago, Philadelphia, Boston, St. Louis, Cleveland, Cincinnati and Milwaukee.

ASSETS.

United States, City and R. R. Bonds and Stocks	$81,500,727.38
Bonds and Mortgages	74,620,197.45
Real Estate	19,905,683.43
Cash	5,258,969.45
Demand Loans on Collateral	3,476,500.00
Loans to Policyholders	6,552,375.12
Prem. deferred and in course of collection (net)	4,772,106.25
Accrued Int., Rents, etc.	2,233,904.15
Total	$198,320,463.23

LIABILITIES.

Reinsurance Fund and Special Reserves	$181,775,579.00
All other Liabilities	1,542,371.65
Capital and Surplus	13,951,899.14
Total	$198,320,463.23

Largest Office Building in the World—Madison Avenue, Fourth Avenue, 23d Street and 24th Street, New York City.

SIGNIFICANT FACTS

This Company's Policy-claims paid in 1907 averaged in number one for every 64 seconds of each business day of 8 hours each and in amount $124.95 a minute the year through.

THE DAILY AVERAGE OF THE COMPANY'S BUSINESS DURING 1907:

452 per day in number of Claims Paid.
6,391 per day in number of Policies placed and paid for.
$1,239,398.45 per day in New Insurance placed and paid for.
$162,489.27 per day in Payments to Policyholders and addition to Reserve.
$72,011.34 per day in Increase of Assets.

OFFICERS

JOHN R. HEGEMAN.....President
HALEY FISKE.....Vice President
GEORGE H. GASTON.....2d Vice President
GEORGE B. WOODWARD..3d Vice President
FRANK O. AYRES.....4th Vice President
JAMES M. CRAIG.....Actuary
FREDERICK H. ECKER.....Treasurer
WALTER STABLER.....Comptroller
JAMES S. ROBERTS.....Secretary
JOHN R. HEGEMAN, Jr.....Asst. Secretary
J. J. THOMPSON.....Assistant Secretary
T. R. RICHARDSON.....Assistant Secretary
F. F. TAYLOR.....Assistant Secretary
FREDERICK A. BETTS..Assistant Secretary
STEWART L. WOODFORD.....Counsel
THOMAS H. WILLARD, M. D..Med. Direct.
AUGUSTUS S. KNIGHT, M. D..Med. Direct.
W. S. MANNERS, M. D., Asst. Med. Director
E. M. HOLDEN, M. D...Asst. Med. Director
I. J. CAHEN.....Manager Ordinary Dept.

Paid to Policyholders since Organization, plus the Amount now invested for their Security, $407,462,482.06.
Number of Policies in Force, 9,620,009. Amount of Outstanding Insurance, $1,804,946,581.00.

In its Ordinary Department policies are issued for from $1,000 to $1,000,000 on individual lives, premiums payable annually, semi-annually and quarterly. In its Industrial Department policies are issued on all the insurable members of the family for weekly premiums.

Full particulars regarding the plans of the Metropolitan may be obtained at its Home Office, 1 Madison Ave., New York City, or of its Agents in all the principal cities of the United States and Canada.

THE

Union Central

Life Insurance Company of Cincinnati

ESTABLISHED 1867

Has the following unrivaled points of superiority which make its policies easier to sell than those of any other company: Highest rate of interest earned, low death rate, low expense rate—resulting in lowest cost to policyholders. Its new 1908 policies are simple in verbiage and most liberal in provisions. THE UNION CENTRAL has no investments in stocks or bonds.

JESSE R. CLARK, President — E. P. MARSHALL, Vice-President

PHENIX INSURANCE COMPANY

OF BROOKLYN, N. Y.

NEW YORK OFFICE:

68 WILLIAM STREET.

Head Office for the United States:

57 and 59

William Street,

NEW YORK.

LONDON & LANCASHIRE FIRE INSURANCE COMPANY

A. G. McIlwaine, Jr., Manager.

HANOVER

Agencies in all the Principal Places in the United States.

Fire Insurance Company, OF NEW YORK.

Northern Assurance Company,

OF LONDON, ENGLAND.

EASTERN AND SOUTHERN DEPARTMENTS,

38 PINE STREET, NEW YORK.

GEORGE W. BABB, Jr., Manager. T. A. RALSTON, Sub-Manager.

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The Weekly Underwriter:

AN INSURANCE NEWSPAPER.

ESTABLISHED 1859.

VOL. LXXIX. NEW YORK, SATURDAY, OCTOBER 17, 1908. No. 16.

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CHARLES A. JENNEY, President and Treasurer. L. ALEXANDER MACK, Secretary.

THE indefatigable Insurance Commissioner of Tennessee is fond of the limelight, and is now in a mix-up with the fire insurance agents of Nashville which threatens to be Union-wide, for if they persist the companies also will be involved. The cause is the investigation by the Commissioner of charges made by a lady local agent against her masculine rivals of boycotting and conspiring to induce her companies to withdraw from her agency "because she reduced the advisory rates on a large local risk," and the question upon which the agents have their backs up is whether Mr. Folk can force them to submit all their agency books and correspondence with their companies to his inspection. They are advised by their counsel to refuse, and now the Commissioner intimates, according to a Nashville special dispatch, that he will revoke the license of every fire insurance company transacting business in Nashville whose agents decline to accede to his demands. This is a serious matter for the companies, but a greater one for the champion of the lady agent. We suspect that Tennessee law will uphold the contention that the Insurance Commissioner has the official right to examine the papers of a company doing business in the State and desiring to continue therein, and Mr. Folk's magnification of his office will be a complete success.

THE Illinois anti-trust suit begun against 122 fire insurance companies doing business at East St. Louis, St. Clair County, away back in 1902, and which has been dragging its slow length along with varying fortunes, turned up again this week when the Circuit Court judge of the county issued a permanent injunction restraining the companies—now 110 in number—from fixing rates, maintaining a joint agent at East St. Louis and transacting business in the State. The suit was originally the idea of H. J. Hamlin, Attorney General of Illinois at the time, who sought to corral the companies by prosecuting them under the common law for conspiracy in combining in insurance rates and the suppression of competition. A committee appointed by the companies, of which the late Judge Eugene Cary was chairman, fought the case for several years. It once went to the Appellate Court of the State on demurrers, from which it was sent back to the county. When Attorney General Hamlin's term of office expired he bequeathed the suit to his successor, with the injunction that it vindicated a "great principle" —the power to restrain at common law "any business or commerce which affects the interests of the public." Now that the local court has decided against the companies the suit will doubtless begin its second march upward to the Appellate Court—the first having proceeded on a local court decision favorable to the companies. While the companies now claim that the old compact machinery has been replaced by a modern independent rating system, and thus they are not now answerable, nevertheless the principle involved is—as the former Attorney General contended—an important one. So long as anti-fire insurance compact litigation is impending in several of the States the condensed incisive argument made by Mr. Peden, of Chicago, counsel for the companies, at the opening hearing on this long winded suit cannot be too often republished. He said:

> A combination or agreement with reference to matters or rights which are universal and cannot in the nature of things be controlled or cornered is not against public policy. Insurance is not commerce (Paul vs. Virginia), and is not property (Ætna vs. Commonwealth, 51 S. W., 624), and it is not a necessity of life. It is simply a contract of indemnity against contingent loss or damage by fire, and such contracts may be made by all individuals or partnerships or by any corporations possessing such power. The right to make lawful contracts is a natural right and of necessity cannot be limited or suppressed, and this right of contract cannot be interfered with without abridging the liberty of the citizen and depriving him of rights guaranteed by the fourteenth amendment. Anything which is lawful for the assured, that is, the party of the second part to the contract, should be lawful for the insurer. If property owners, parties of the second part, in a particular locality should agree that they would not insure their property except at certain rates, no reason is apparent why such agreement would be against public policy or the common law. If it is not unlawful for these property owners to combine or agree it should not be unlawful for the insurer, parties of the first part to the contract, to combine or agree not to insure property except at certain rates.

THE forty-odd State legislatures in session in 1907 enacted in the aggregate some twenty thousand laws, general, local, special and private. It is quite within safety to say that three-fourths of these laws were unnecessary, while many were positively injurious. The same legislatures are to be in session next year, and within twenty days from the present issue the persons who are to make the laws will be chosen by the electorate. There is no reason to believe, unfortunately, that they will differ much in capacity and virtue from their predecessors of last year, and so there will be, probably, twenty thousand more laws, with the same proportion of those that are superfluous. The most amazing feature of this state of things is that the people who elect the legislatures regard their own creations with dread and are glad when their opportunity for mischief is terminated by adjournment. This popular distrust of legislatures was aptly described by the late Edward J. Phelps a few years ago, when president of the American Bar Association, in these words:

> We know that such bodies do not command public confidence; that their sessions are viewed with apprehension and their adjournments with a feeling of relief. Even in those legislatures whose integrity is unquestioned the perusal of their labors is rarely calculated to inspire confidence in their wisdom. In the majority of them—happily not in all—the session laws exhibit hasty, inconsiderate, ill-advised legislation, framed to meet the real or supposed hardship of some particular case, to further some private end or to reflect some temporary gust of popular feeling; they are characterized

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by a tendency to extend legislation to all manner of subjects, as well without as within the domain of municipal law, making a new statute the remedy for all ills and all inconveniences; by a looseness and ambiguity of expression that leads to endless uncertainty and litigation, and last and worst, by a fluctuation of purpose that deprives statute law of all stability and alters, amends, reconstructs and repeals its enactments from year to year more rapidly than the courts can grope their way to a construction of the language in which they are couched.

Constitutional conventions, which, though they spring from the same source, are composed of selected material, recognize these evils and endeavor to moderate them by limiting the duration of legislative sessions, substituting biennial for annual meetings, prohibiting special laws and requiring the several readings of bills on different days. It is radically bad, though, that the lawmaking body should have to be restrained at all. It should be made up of the wisest citizens and its work should be the application of legislation to the actual needs of the community and to stop there. The contrary, as we know, is the fact. The pushing politician, the agitator with a hobby, the dummy of a boss, the crude and self-sufficient rustic, these constitute a large and sometimes a controlling part of our legislatures, and the better element—for there is a better element or our form of government would break down—is not strong enough to prevent the output of legislation with which the country is deluged. Here is one of the great reforms for the American people to take up and attain—a government that governs just enough. The insurance business, because it is one of the chief sufferers from overgovernment, needs to be in the van of the reform movement.

Facts and Opinions.

The New York State Insurance Department began this week an examination of the condition of the **Mutual Savings Life Insurance Society,** whose officers resigned on October 1. Examiner Hadley is in charge of the work. Dr. Fricke's letter of resignation as president is printed in another column.

The day of the skyscraper has passed for New York city, provided the Board of Aldermen adheres to the tentative report of the **Building Code Revision Commission,** which stipulates that buildings shall not be any higher than 350 feet when facing an open park or square and not more than 300 feet ordinarily. The commission's recommendation covering this point is as follows:

Limits of Height.—All buildings hereafter erected shall be limited in height, except as herein otherwise provided, in general accordance with the width of streets on which they face, and shall not exceed 300 feet, except where the width of streets is less than 45 feet the height of buildings may be 135 feet. When buildings face upon a park, square, plaza or similar public place, the height shall not exceed 350 feet. Provided that no fireproof buildings of Classes E and F, except office buildings, observatories and grain elevators, hereafter erected or altered, shall exceed 150 feet in height.

The Committee on Buildings will hold a public hearing in the near future, when the recommendations for the limitation of height can be threshed out. The Board of Estimate will then pass on the matter, which will go before the Board of Aldermen for approval. After the height of the buildings is finally determined the commission is at liberty to report its other recommendations. A long and determined fight is expected, however, from real estate interests of the downtown section, which favor the building of more skyscrapers. On the other hand, the opponents of the skyscraper are marshalling their forces, and preparing data to prove that skyscrapers are no longer necessary and are also prejudicial to the health and safety of the city. In Washington, D. C., where the streets are wider than in most cities, the building regulations provide that no structure shall exceed in height the width of the street on which it faces, except under special conditions, such as intervening public reservations. On business streets no buildings are allowed to exceed the height of 110 feet except in streets 160 feet or more wide. In European cities the heights of buildings are usually regulated by the width of the streets, with the height usually limited to 100 feet.

At a joint meeting of the committees on rates and minimum rates of the New York Fire Insurance Exchange President Evans, of the Continental, offered the following resolution concerning a **reduction of rates in New York city,** which was unanimously adopted:

Resolved, That if it shall be found that the high pressure service is in effective working order, and that the fire department is properly equipped with the necessary apparatus for using high pressure, this committee favors the general proposition to grant a reduction in the current rates within the territory protected by the high pressure system, but such reduction shall be modified by reason of the failure to provide a new fire alarm system, the non-adoption of a proper building code, and the refusal of the fire department to attach to the outside steamer connection provided for such purpose on buildings protected by automatic sprinklers.

A further resolution that a committee be appointed to consist of one representative of the local companies, one of the foreign companies and one of the agency companies, to investigate existing conditions and report facts and recommendations, was also adopted. At a meeting of the New York Board of Trade and Transportation on Thursday a resolution was unanimously referred to the committee on insurance calling on it to take up with the insurance companies the question of lower rates on account of the high pressure system. Commissioner John H. O'Brien, of the Department of Water Supply, Gas and Electricity, has written a letter to the secretary of the Board of Estimate and Apportionment urging the extension of the high pressure water service to other sections of the city than now covered by the system, especially to the East Side tenement house district.

The **candidate for Superintendent of Insurance in Kansas** on the **Democratic** State ticket is M. F. Belisle. He has ideas about reforming the fire insurance business, and announces that he favors a change in the present tax laws so that every company shall be charged only the pro rata of expense necessary to carry on the State Insurance Department so far as it relates to fire insurance. He would also have the State appoint a trained board of experts to classify risks, and he adds:

To those net rates I would add a margin for expense and this net rate so loaded with this expense margin would be the minimum rate below which no company would be permitted to charge, the object of such minimum rate being to maintain solvency in the companies, so that every loss could be paid promptly and fully. This board of experts, should my plan prevail, will furnish the people of the State of Kansas proper rules for construction and will furnish the rules of penalization so that every person in the State of Kansas who so desires may be fully informed as to why the rate is fixed on his property. As to reserve, instead of the present unscientific and arbitrary method of obtaining reserves based on the gross premiums received, it would be my purpose to have the law so made that the reserve would be on the net premium. I think it is plain to anyone who will study this that my purpose is to make a very material reduction in the cost of insurance in our State. I am aware of the fact that the charges I have outlined are radical, but some one must at some time bring about just such a change as I have outlined, and as Kansas has been in the habit of "doing things" it is up to Kansas and myself to try to bring this change about, and in my own opinion and the opinion of experts with whom I have consulted the reduction of cost to the people of the State of Kansas will be at least 50 per cent., and that without injuring any company, or depriving any agent of his commission.

The Public Service Commission of the Second District was assured at a recent hearing of the hearty co-operation of the

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railroad companies of the State in an effort to **check the depredations of forest fires** such as have destroyed thousands of dollars' worth of property in New York State this fall. Commissioner Osborne has been delegated to make an investigation of the subject, and he will start for a trip over the several railroads operating through forest lands to see what precautions and remedies may be applied. Later the commission will take testimony of the actual causes of the fires. It is also proposed to ascertain the cost of improved devices or the substitution of other fuel or motive power in place of coal burning locomotives. A statement was made by Attorney John K. Ward for the Forest, Fish and Game Commission that his commission had expended $170,000 this year in fighting forest fires. He believed that oil burning locomotives were the proper motive power for lines running through the forests. The difficulties of this plan were pointed out by the railroad men at the conference owing to the great expense of equipment and maintenance. It was also pointed out that there was not sufficient water power in the mountains to provide electricity. Speaking for the Association for the Protection of the Adirondacks, John G. Agar called attention to the successful use of oil burning locomotives in California, and stated that he believed that 90 per cent. of forest fires start from sparks from locomotives.

An interesting case of **speculative life insurance** has come to light in Pittsburgh, where it was discovered that an indigent Russian Jew named Geze Foster was insured for over $50,000, the premiums being paid by outsiders who had no insurable interest in the man. The Philadelphia Life had issued several small policies on Foster's life, all of which were shortly afterward assigned. An investigation showed the scheme up, and several companies whose policies had not run long enough to be incontestable cancelled immediately. Other companies found their hands tied, as the contracts had been carried some time. It was discovered that Foster was being paid small annuities by assignees for the privilege of carrying insurance on his life. The case finally ended in court. After the Philadelphia Life had lifted one of these fraudulent policies issued on Foster's life, Abraham Kann, the agent who wrote the business, was asked to return the money paid him in commissions, and on his refusal to do so the company's general agent, George G. Billmire, seized the money. Kann, the agent, then charged Billmire and Assistant Superintendent of Agencies C. A. Cook with larceny. When the case came to trial the court, on learning the fraudulent nature of the whole transaction, ordered the jury to acquit the men.

A more considerate attitude among Western insurance commissioners toward fire insurance companies is reflected in the letter sent to Manager Going, of the Shawnee Fire of Topeka, by Insurance Commissioner McComb of Oklahoma, complaining that an agent for the company was **writing insurance at cut rates.** Mr. Going, in replying that an examination of his business showed that this agent had not written a risk at less than the rates furnished by the company, took occasion to say that he regarded the present Oklahoma rates as too low in most cases, predicted that any company that made a practice of writing business at less than the prevailing rates was an active candidate for a receiver, and declared that it would be very gratifying if all insurance departments would make a diligent inquiry as to the adequacy of rates obtained, and thus prevent demoralization as well as discrimination. He predicted that 1908 would prove one of the most disastrous years in the history of fire underwriting in the United States, and that the people of Oklahoma were more interested in having solvent insurance companies than in getting cut rates.

The **Actuarial Society of America** held its regular fall meeting at Newark, N. J., this week, beginning on Thursday. By invitation of the Mutual Benefit Life the sessions were held in the home office building of that company. About 100 members and guests were present from all parts of the United States and from Canada and Mexico. Addresses and papers were read by John K. Gore, of the Prudential; Walter S. Nichols, editor of the *Insurance Monitor;* Wendell Strong, associate actuary of the Mutual Life; Robert Henderson, associate actuary of the Equitable Life; E. E. Rhodes, vice president and actuary of the Mutual Benefit; H. G. Bohlman, actuary for the New York Life at Berlin. Papers read at the spring meeting were discussed on Friday. The society was entertained at luncheon Thursday by the Mutual Benefit Life, and Thursday evening the regular banquet was held at the Essex Club. Among the speakers were John F. Dryden, president of the Prudential insurance company. On Friday the society was entertained by the Prudential insurance company at the Essex County Club.

On the occasion of the Connecticut River new bridge opening at Hartford last week the newspapers of that city printed great special editions, and the **insurance interests of Hartford** were duly emphasized and celebrated. The *Courant* devoted many pages to an illustrated insurance section, in which the histories of the local companies and portraits of their famous directors and officers, past and present, appeared. That paper had the following interesting summary of what Hartford has done and is doing for insurance:

Total insurance paid out of Hartford, 1800-January 1, 1908.		$1,103,904,018
Insurance (life and fire only) guaranteed January 1, 1908, by Hartford—		
Life	$821,979,776	
Fire	5,369,601,544	6,191,581,320
Total admitted assets, all Hartford companies, January 1, 1908—		
Life	$242,707,188	
Fire, accident, etc.	69,353,559	312,060,747
Total annual income, Hartford companies, 1907—		
Life	$54,429,566	
Fire, accident, etc.	44,463,500	98,893,066

The fact that a man **exhibited poison** and talked of suicide before his death is **no** reason for deciding that he committed **suicide,** according to a decision handed down a few days ago in the Missouri Court of Appeals in the case of Virginia B. Almond, of Kansas City, against the Modern Woodmen of America to recover the face of a policy for $2,000 on the life of her husband. The defense set up by the assessment company was that Almond had forfeited membership by hard drinking and that he had committed suicide. The findings of the court were that no evidence had been adduced to show that the deceased was an habitual user of liquor and that the suicide theory was based entirely on circumstantial evidence, while the cause of death may have been valvular disease of the heart. The fact that Almond had a bottle of poison with him is not held to be proof that the deceased was a suicide. Accordingly the judgment of the lower court, which found for the widow, was affirmed.

The **Arkansas Supreme Court** has rendered an opinion in the case of the Phœnix of London, which applied for a mandamus to compel the Secretary of State to accept its articles of incorporation without paying a fee of $3,000, as required by the **Wingo act** of the last Legislature. The company was doing business in Arkansas prior to the time of the passage of the Wingo act, and withdrew from the State when the anti-trust law was enacted, and claimed that the Wingo act did not apply to it, and refused to pay the fee demanded by the

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Secretary of State. The Supreme Court holds that the company must pay the fee before its articles can be filed with the Secretary of State; that when it withdrew from the State in 1905 it placed itself in the same attitude as an entirely new applicant for admission.

The **skyscraper hazard question** has reached **Denver,** Col., where plans for a fourteen story building have aroused considerable comment. The Denver Master Builders' Association has placed its approval upon the skyscraper plan, besides expressing the indorsement of the association for any project to construct buildings of any height provided they are properly safeguarded. That a skyscraper may act as a fire wall is the contention of an underwriter, who is quoted as follows in the Denver *News:*

The writer has noticed with much interest your comments on the proposed skyscraper at Seventeenth and Stout streets. There is, however, one very important and vital feature in erecting high fireproof buildings, which seems to have been overlooked, and which is very much in favor of the skyscraper, and that is its value as a fire wall or break in event of a general conflagration. This, in the opinion of the writer, is inevitable unless a vast number of frames, quick burning buildings and the like, are torn down in the shortest possible time and replaced with fireproof and well constructed improvements.

At Belleville, Ill., Judge Moore, in the Circuit Court of St. Clair County, on Tuesday issued a permanent **injunction restraining** 110 fire insurance companies doing business in Illinois **from fixing rates** and maintaining a joint agent at East St. Louis. The suit was begun in June, 1902, by H. J. Hamlin, then Attorney General of Illinois. It was directed against the Aachen and Munich Fire, 109 other companies and M. F. Seent, the joint agent in East St. Louis. Combination for the unlawful suppression of competition and fixing of rates was alleged. Evidence was taken in Belleville, East St. Louis and Chicago; and on some of the issues the case went to the Appellate Court. The companies affected are nearly all that have been doing business in St. Clair, Madison and Clinton counties.

Sprinkler installations are announced as follows: The Bry-Block Mercantile Company, at Memphis, is installing Niagara-Hibbard sprinklers, effective October 15. A new Grinnell equipment is being installed in the Memphis plant of the Crescent Cotton Oil Company, replacing the old installation. The wholesale grocery of Covington Brothers & Co., at Paducah, Ky., is being equipped with Rockwood sprinklers, effective November 1, with a line of $75,000 insurance. The senior mutuals are installing Rockwood sprinklers in the plant of the Keystone Steel and Wire Company, at Peoria, Ill. The insurance carried is $300,000, of which $125,000 goes to the mutuals and $175,000 to the Western Factory Insurance Association. The Pekin Wagon Company, at Pekin, Ill., is installing Grinnell sprinklers, and will carry $100,000 of insurance.

Regarding the **insurance course at Yale University,** the Hartford *Times* says:

At the beginning of this century there was keener realization of the merits of insurance as a science and a profession and a consequent desire for a more intelligent comprehension of it on the part of the public in general. Hartford men were largely instrumental in starting an insurance course at Yale in 1903 and gave freely of their time to it. The lecturers have included President Holcombe, of the Phœnix Mutual; President Dunham, of the Travelers; Second Vice President and Actuary Welch, of the Phœnix Mutual; Vice President Lunger, of the Travelers; Vice President Bissell, of the Hartford Fire; Secretary W. G. Cowles, of the Travelers' liability department; General Counsel Charles E. Gross, of the Phœnix Mutual, Secretary Phillips, of the Factory Insurance Association, and A. D. Risteen, editor of the *Locomotive,* Hartford Steam Boiler Inspection and insurance company. Mr. Welch and Charles E. Johnston, of the Phœnix Mutual, conducted the quizzes before Prof. L. W. Zartman was engaged last year to take charge of the fully established course.

The **fire hazard of Indianapolis** is the subject of a report of the National Board's engineers of the committee on fire prevention. Overhead wiring in the congested district is criticised, and the statement is made that the main arteries are too infrequent outside of the congested district, while the gate valves are too far apart. The fire department was found to be lacking in men and apparatus and the fire alarm headquarters characterized as hazardously housed and exposed. The building laws are condemned because they do not properly treat the questions of height of buildings, area and exposed openings. The laws as to explosives and inflammables are criticised as few and inadequate, with supervision scant. Many blocks are poor hazards, owing to area and unprotected windows on alleys.

The executive committee of the **New York Fire Insurance Exchange** reported adversely at the recent meeting of that body on the application of **William Sohmer,** who recently opened a downtown office on Cedar street, where he represents the German Alliance and Pelican. The report was sustained by the Exchange on the ground that Sohmer could not act as a downtown agent besides maintaining an office uptown. The question of restoring the commission to brokers on congested district risks to the figures current before the reduction made in 1906 came up, and after some argument it was decided that it was necessary to give the members a ten days' notice, as it would be necessary to change the agreement to alter the commission.

The decision of the Illinois Appellate Court in the suit of the John Spry Lumber Company against the Eagle Fire of New York declares that the **written contract of insurance must determine** the intention on the part of the insurer. The Eagle claimed that it was not liable on the policy, the intention of the agent being only to insure property in the yard and not to cover lumber in the mill, the writing of a policy which included all property being a mistake. The court says: "It is a waste of time to discuss the evidence showing this to have been a mistake, for the reason that a court of law has no jurisdiction to correct written mistakes in a written contract. In a written contract what the words mean is taken to be conclusive of the intention of the parties."

The control of the **Monongahela of Pittsburgh** has been **purchased** by a syndicate headed by L. A. Burnett, who owns a local agency at Greenville, Pa. The purchase of stock was made from Dr. R. H. Gilliford and his associates, who held the majority interests. Mr. Burnett will be elected president in place of Dr. Gilliford, who will devote his time to the Allegheny insurance company, of which he is president. The remaining officers and most of the directors will continue their connection with the company. Under new management the company will branch out into new States. At present the company operates only in Pennsylvania, Indiana, Ohio, Illinois and Michigan.

A youth twenty-one years old named Robert Knaudson, who hails from Ozone Park, L. I., has entered for the **firebug record** hereabouts by confessing to setting fire to nine houses. When indicted for arson on two counts he surprised the court by acknowledging responsibility for nine. Knaudson explained that he was employed as a flagman at the Ocean avenue crossing of the Long Island Railroad, and when on night duty spent what time he could spare from his work setting fire to houses and then joining the crowd in the effort to run down the firebug. A commission will be appointed to inquire into his sanity, but in the meantime he is held without bail.

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The **Wisconsin National Life insurance company** of Oshkosh, Wis., having been duly chartered and licensed by the Commissioner of Insurance, organized and elected the following officers: President, Col. George M. Paine, Oshkosh; vice president, C. R. Boardman, Oshkosh; second vice president, V. J. Schoenecker, Milwaukee; secretary, Buel T. Davis, Oshkosh; treasurer, Frank LaBudd, Oshkosh; actuary, Willis Palmer; superintendent of agencies, D. W. Spicer; medical board, Dr. C. W. Oviatt, chairman; Dr. J. M. Conley, Dr. A. L. Wheeler, Oshkosh. In celebration of its organization the stockholders gave a banquet at Oshkosh.

The keynote meeting of the **National Association of Life Underwriters** for the ensuing year was held at Pittsburgh on the evening of October 10, when the new national officers were installed and President Charles Jerome Edwards outlined his policy for the coming term. This is the eighth successive year in which the Pittsburgh Association has entertained the national officers at their inaugural. Those in attendance were President Edwards, Vice President Tolman, Secretary Waite, Chairman McMullen of the executive committee, the new members of the executive council and several others identified with the national body.

The insurance department of the **Knights of Pythias** has a new head in Union B. Hunt, of Winchester, Ind., chairman of the South Indiana Railroad Commission, who has been elected president of this department. C. F. S. Neal, who has been president for the past four years, was unanimously re-elected by the board of control at the quarterly session, but declined because of ill health. Under the new rules of the department the president of the board of control is also the manager of the insurance department, taking over the duties formerly performed by former Insurance Commissioner Zeno M. Host.

Two **fire insurance companies** doing their principal business in Utica, N. Y., are **in trouble.** Applications have been made for receivers for the Onondaga Mutual Fire of Onondaga County and the Colonial Fire of Onondaga. In the papers filed relative to the first named it is charged that the premiums are being carelessly handled, while an affidavit alleged that the concern was insolvent. In regard to the Colonial company the Attorney General claims that the company is not legally incorporated, and that there was an injunction against its doing business as a corporation.

Nine indictments against Charles F. Baxter, a physician of Lindenhurst, L. I., were found this week by the grand jury of Suffolk County, sitting at Riverhead. Four of the indictments are for perjury. It is charged that Dr. Baxter had issued, among others, a **policy on** the life of a **woman eighty-eight years old,** feeble and infirm, and unable to write her name, and had signed the necessary papers. Several girls under sixteen years of age, it is said, also discovered they were insured for various amounts, although they had never seen or received the policies.

Several days ago five suits were begun in the Chicago Municipal Court by the **Grand Pacific Hotel Company against insurance companies,** the litigation growing out of the controversy over the use and occupancy claim resulting from the fire early this year. Under the lease the fire was made the reason for cancelling the contract, and on this the lessees based a claim for a total loss under the use and occupancy policies. Suits have now been begun in the Circuit and Superior courts also, and an effort will be made to secure an early hearing.

The organization of the **Jewelers' Mutual Fire insurance company** of Wisconsin has been accomplished at Milwaukee under the wing of the Wisconsin Retail Jewelers' Association. Subscriptions for the $100,000 capital required have already been secured, and by the first of December the company expects to begin business. The following officers have been elected: Gustave Keller, Appleton, president; W. H. Upmeyer, Milwaukee, vice president; Franklin Thomson, Milwaukee, treasurer; W. A. Pfister, Sheboygan, treasurer.

A memorial meeting occasioned by the death of **Theodore W. Letton** was held in the rooms of the Chicago Board of Underwriters on Friday of last week. Tributes to Mr. Letton were given by E. G. Halle, of the Germania; A. F. Dean, of the Springfield; Nathan Klee and B. F. Rogers, of Klee, Rogers & Co.; G. H. Lermit, of the Northern; Charles Nelson Bishop, of the Northern; Rockwood W. Hosmer and Secretary R. M. Timmingham. The office and field force of the Prussian National attended the meeting in a body.

Several months ago Insurance Commissioner Folk, **of Tennessee,** notified all companies that he would revoke the license of any company which failed to discharge an agent found guilty of **"twisting."** In accordance with this announced plan the department has been taking evidence on charges filed against J. R. Blackburn, a representative of the Connecticut Fire at Cleveland, Tenn., who is charged with taking up policies of the Home of New York for cancellation, destroying the policies and substituting those of his own company.

From baseball to industrial life insurance is not such a far throw, for only this week "Christy" Mathewson, the star twirler of the Giants of New York, began writing insurance for the Prudential at the Perry agency on Vesey street. The first victims are reported to have been a reporter and a photographer, who called to interview and snap him. "Christy" will keep himself in condition by selling insurance till spring comes, and if he likes the business may follow it up when his twirling days are over.

The Church of the Immaculate Conception at Trenton, N. J., has just come into the sum of $20,566.45 by the maturing of an **endowment policy** on the life of Rev. Lucius Matt, an assistant **priest** of the parish. An additional $6,852.15 goes to the Franciscan Order of Priests, which organization paid the premium for five years. This is a use of insurance which is both businesslike and satisfactory in its returns.

The fire marshal of **Minnesota** is steadily endeavoring to improve the **fire protection** of the State and is preparing statistical tables to show the smaller towns the advantage of better paid fire apparatus. He will quote from rate allowances to prove that the reduction in rates would more than pay for the better apparatus, to say nothing of the improved protection to life and property.

For some time the **mutual fire insurance companies** in Des Moines, Ia., have been in the habit of filing numerous suits for small judgments against policyholders who fail to pay assessments. Judgments have been given and the costs charged to the defendants, who usually failed to pay them, and the court has instructed the county to **re-tax the costs** of such cases **upon the plaintiffs.**

The local fire insurance agents at Nashville, Tenn., on the advice of their counsel, refuse to surrender their **correspondence with their companies** to Commissioner Folk in

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the Epperson rate cutting case. They insist that they are not afraid of incriminating themselves by showing letters referring to the Epperson agency, but stand upon their "constitutional rights."

A **dinner** in honor of President Charles Jerome Edwards, of the National Association of Life Underwriters, will be tendered by the **Underwriters' Association of New York** on Tuesday evening, October 27, at the Café Martin, beginning at 7 o'clock. Among the speakers will be George H. Gaston, second vice president of the Metropolitan Life.

The **Modern Woodmen of America** have skipped the October assessment, the funds on hand being adequate to meet the death claims, and in consequence Head Consul Talbott has asked the members to make a liberal free will offering for the sanatorium for consumptives which the Woodmen are establishing at Colorado Springs.

The **Minnesota Insurance Department** is responsible for the fining of Fred Hernbloom, a Minneapolis agent who wrote business in the American Accident of Lincoln, Neb., a company which was refused a Minnesota license at the beginning of the year. The fine was $50 and the costs amounted to $60.

The trial of **George R. Scrugham** and Charles Stirrup, who, with Charles F. Carrington, were indicted for forgery in the second and third degrees and conspiracy in connection with the election of trustees and directors of the New York Life insurance Company in 1906, was set for yesterday.

Nineteen indictments for forgery and perjury against Thomas D. Jordan, the comptroller of the Equitable Life Assurance Society, who died in the summer, were **dismissed** yesterday by Judge Rosalsky, of General Sessions. The indictments were based on year end transactions.

An interesting brochure containing the pictures and **biographical sketches of the Presidents** of the United States, and also a history of the White House, has been presented by the New York Life. Its issue during a political campaign makes it all the more serviceable for handy reference.

Fire underwriters at **San Francisco** are laughing at the new system of **fire alarm** signals which have been adopted by the fire commissioners. A book explaining the new signals is printed in telegraph code, and so is not intelligible to many connected with the department.

The **Sioux Fire insurance company** has been organized at Sioux City, Ia., with a $200,000 paid up capital. A. McCornack will be president and C. J. Wooldridge, for many years connected with the Columbia Fire of Omaha, will be secretary and treasurer.

The **Concordia of Milwaukee** has ended its general agency contract with C. L. Stowell, of Rochester, N. Y., who had New York and Pennsylvania, and will hereafter operate the States direct. A. F. Hebgen, executive special agent, is in temporary charge of the field.

The **Ohio Fire Underwriters' Field Club** has elected Louis A. Lent, State agent for the Pennsylvania, president; W. C. Daniel, special agent of the Northern, vice president, and Neal C. Rowland, of the London Assurance, secretary and treasurer.

The organization of the **Union National Life Insurance Company of America** is being effected in Philadelphia. The company will be a Delaware corporation, with L. P. Forster as president.

The Union Central Life has reprinted in a pamphlet the editorial comments of the insurance press on the subject of its recent increase of paid up capital stock, all of which were favorable.

A meeting of **Iowa fire underwriters** will be held in Des Moines October 25 to consider the advisability of organizing a fire prevention bureau.

The **Massachusetts Mutual Life** of Springfield moved into its new building at the corner of State and Main streets, in that city, this week.

The **Federal Union insurance company** of Chicago has been admitted to Ohio, and has also applied for admission to Michigan.

The **Lumber Mutual insurance company** of Massachusetts has been admitted to Connecticut.

The **California insurance company** of San Francisco has been admitted to Connecticut.

Personal.

AGENCY APPOINTMENTS.

California insurance company: William W. Wadsworth, late of Fairfield, general agency in Boston, special agent for the New England States; Muller & Rollfs, agents for Jersey City, with offices in the Commercial Trust Building.

Federal Union insurance company of Chicago: Maxson & Perdue, sole agents at Cleveland; F. S. McDaniel, 59 Wall street, representative for New York city.

Ocean Accident: Milo E. Evans, manager for northern Ohio, excluding Cleveland, succeeding P. W. Ward, resigned.

Major Homer G. Gilmore, of Springfield, Mass., one of the oldest agents of the Travelers, died in that city October 15, of Bright's disease. He had been in the service of the Travelers since 1877, latterly as general agent for Massachusetts of the liability department. Major Gilmore had a distinguished Civil War record, entering the Federal service as first sergeant of Company F, Tenth Massachusetts Volunteers, and being mustered out brevet major.

Mr. J. B. Braunstein, local agent for the Phœnix of Hartford at Cincinnati, suffered a paralytic stroke Wednesday at his residenec at 768 East Ridgeway avenue, Avondale, and died within a few minutes. Mr. Braunstein had been identified with the Phœnix for thirty-five years. He suffered a similar attack last April, but recovered.

Mr. Charles W. Good has resigned as special agent for the German-American in southern Illinois to become Illinois State agent of the Niagara Fire, succeeding J. J. Johnson, resigned. As Mr. Good lives at La Grange his former field was inconvenient, while with the Niagara Fire he has the entire State.

Mr. L. Walter Sammis, who recently took charge of the Chicago general agency of the Washington Life insurance company, does not remain in the service of the company on account of the recent transfer of its control to the Pittsburgh Life, which already has a general agency plant in Chicago.

Mr. George L. Wrenn, formerly president of the Chicago Life Underwriters' Association and for many years Chicago general agent for the State Mutual Life of Massachusetts, died last week at his summer home at York Harbor, Me., aged seventy-two.

Mr. E. G. Richards, United States manager of the North British and Mercantile, who spent some time in Chicago and the West after delivering the annual address before the Fire Underwriters' Association of the Northwest, returned to New York recently.

President Edwin Warfield, of the Fidelity and Deposit of Baltimore, who was to address the annual meeting of the Board of Casualty and Surety Underwriters on Tuesday next, writes that he will not be present at the meeting, owing to press of business.

Mr. George H. Webster, special agent for the Western and British America in Illinois, is seriously ill at St. Luke's Hospital, New York, an operation having been necessary as a result of a fall sustained several years ago.

Mr. Leonard W. Thompson, examiner of New England business for the Security of New Haven, has been appointed special agent, with headquarters at New Haven, to assist Special Agent Hoxie in the New England field.

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Mr. Charles B. Nash, for the past two years examiner for the Eastern department of the Insurance Company of the State of Pennsylvania and the Union of Philadelphia, has been made manager of the Philadelphia department.

Mr. C. H. Bainbridge, manager of the Brooklyn department of the New York Plate Glass, has been appointed general agent for Brooklyn of the Ætna Indenmity for burglary, accident and health lines.

Mr. J. F. Eaton, senior surviving member of the agency firm of Baird, Eaton & Fulton, of Kansas City, Mo., died there October 6 after a protracted illness.

Mr. W. F. Abbey has resigned as special agent for the Northwestern Fire and Marine in Iowa and Nebraska.

Mr. C. A. Merritt has resigned as special agent of the Connecticut in Minnesota and the Dakotas.

Casualty and Surety Insurance.

A special survey of the condition of the **Philadelphia Casualty Company** is being made by Examiner S. H. Wolfe for the West Virginia State Insurance Department.

Unusual accidents of the week: A woman fell into a wine tank in her husband's winery and was drowned.

A woman trapeze artist, who was performing with her husband at a county fair, had both arms broken and received fatal internal injuries when the strap supporting her, which her husband held in his teeth, slipped, and she fell to the ground, trapeze and all.

A boy of eighteen was killed in a motorcycle race at Washington, D. C., his death being caused by running into a post.

While tasting some honey, which he had just taken from a beehive, a man was stung in the tongue, and as a result that organ swelled to such an extent that he could not close his mouth.

After he had blown off one arm in "breaking" his loaded gun while on a hunting expedition, a man walked half a mile for help.

A paper cutter employed by a New York firm had his right hand and the fingers of his left hand cut off by the descending blade of the machine.

The wife of the president of the Pennsylvania Railroad narrowly missed serious injury when stones thrown by a boy at his companion's kite struck the train window at which she was sitting.

While crossing the tracks of the Central Railroad of New Jersey at Wilkes-Barre, Pa., a nine year old boy caught his foot in a switch frog and was run down and killed by an engine before he could release himself.

An iron worker who was buried under a pile of structural iron which was scattered over him in a train wreck sustained merely a broken leg and minor injuries.

A four year old boy in attempting to light and smoke his father's pipe set fire to his clothes and was burned to death.

A fall from an elevated railroad pillar in New York caused the death of a baseball fan who had climbed to its top to watch the Giants play ball.

A plumber when bitten by a mad dog cauterized the wound with molten solder.

A Reading Railroad trainman was hurled from the caboose of the engine in which he was riding by the bursting of an air chamber under the cab and was picked up severely bruised and with a bad cut over his eye.

His collarbone and a rib broken by a fall of 20 feet to the top of a radiator, a New Jersey plumber did not realize that he was injured till several days later.

Bitten on the finger by a rattlesnake, a Virginia farmer hacked off part of the finger with a jack knife to prevent the poison from spreading.

An eight year old schoolboy was struck in the head by a batted ball, which killed him instantly.

While chestnutting in the woods a Wilmington, Del., lad of nineteen fell to the ground and broke his neck.

A Philadelphia mother-in-law had her teeth knocked out by a chance blow administered by her daughter's husband.

Toying with a revolver he thought was empty, a York, Pa., man sent a bullet plowing through the scalp of a woman cousin with whom he was conversing.

While attempting to drive from a hen's nest a rat that was sucking eggs a woman was badly bitten by the rodent on the hand.

A hearty sneeze burst a blood vessel in the brain of a Wilmington, Del., man, and the ensuing hemorrhage brought on total paralysis of the body.

A butcher in handling a side of beef fell against the hook on which he intended to hang the meat, and hung suspended by the skin of his cheek till the weight of his body broke the hold.

While mending a roof a roofer unintentionally stuck his arm up to the elbow into a kettle of boiling pitch and was badly scalded.

After being out of employment for over two months a man was killed by a fall in the building in which he had just found work.

A girl is asking damages in court for injuries sustained by being struck in the body and badly bruised by a gate which suddenly swung out over the sidewalk as she passed by.

A painter was working on a scaffold while painting a church when a runaway team took to the sidewalk and demolished the underpinning of the scaffold. He saved himself from certain death by grabbing the cornice of the building as the scaffold collapsed.

While fishing in the Susquehanna River a father turned his line over to his four year old son to hold. A monster salmon took the line and yanked the youngster out of the boat, and he was nearly drowned before being rescued.

A woman was cutting wood when her axe caught in a nearby clothesline, and before she knew it the axe bounded from her hands, and descending like a tomahawk, gashed her head severely.

Why a workmen owes it to himself and family to provide against loss of time and wages by supplying himself with **workmen's collective insurance** is demonstrated by the following article culled from the *Monthly Bulletin* of the Fidelity and Casualty Company:

In general, except where the common law is modified by statute, an employee takes upon himself the ordinary risks incident to his employment and also, if the employer uses reasonable care in procuring competent workmen, the risk of injury due to the negligence of his fellows. The rule is that the employer is not to be deemed an insurer of the employees' safety and freedom from harm, but is obligated to use only such care and precaution as a man of reasonable forethought would exercise. If, then, the employer is not liable, in all or in a majority of instances, to pay compensation to injured workmen, who is their insurer? Accidents happen and suffering and deprivation follow in their train, whether the employer is or is not liable. As the law stands, the workman is left to bear the brunt of the burden and he is helpless unless he can get someone to carry the load for him. Several accident insurance companies, and among them this company, provide workmen's collective insurance to meet this contingency. To humane employers is thus offered the means of compensating their injured workmen and to the employees themselves is offered the opportunity of providing in a sensible and effective and withal not expensive way for their injured fellows. The insurance provides absolutely certain compensation in case of accidental injury or death, wholly irrespective of the liability of the employer under the law.

The **relentless** manner with which a **surety company** follows up **defaulters** and brings them to justice is well illustrated by the case of John H. K. Edwards, secretary for L. Gould & Co., a Chicago concern. Edwards, who was bonded by the American Surety, absconded last March, leav-

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ing his employers to mourn the loss of over $7,000. His wife and three children were left behind and his affinity went with him. On August 14 he was located in Malden, Mass., by an inspector of the company, and promised to return to Chicago to face the charges. On August 18, the day he was to leave for the West, Edwards reported at the Boston office for his transportation, but failed to take the train and again disappeared. On September 17 he was arrested at Malden, and four days later was taken back to Chicago. He was locked up in default of $5,000 bail, indicted on embezzlement charges and is now awaiting trial.

The fact that a **heating boiler** is often **dangerous** in spite of its being of the low pressure type is frequently disregarded by generally careful people. The Travelers Indemnity of Hartford, in speaking of the possible hazard, says:

There is a tendency to consider low pressure or heating boilers in the class of the much advertised family washing machine, "so simple that a child can operate it." Often they are run without a thought as to proper care, and maintained on the theory that a little coal and water occasionally supplied will keep them going indefinitely. Such boilers are often placed in buildings where the lives of many would be endangered in the event of an explosion, and are generally in charge of inexperienced persons, sometimes housemaids. Many people through ignorance of the true conditions consider the insurance and inspection of such boilers unnecessary, but with the facts before us that approximately 10 per cent. of all explosions are of heating boilers, the necessity for careful and complete inspections must be apparent. It is the unexpected that happens. Dangers lurk where we least expect to find them, and the only way to lessen the dangers incident to the operation of heating boilers is to insure them and secure the benefit of periodical inspections.

A **damage suit** has already been filed as a result of the sweepstake race of October 10 over the **Vanderbilt Cup** circuit on Long Island. The plaintiff is John Albin, of Oyster Bay, who is suing on behalf of his son, Byron Albin, whose skull was fractured during the races by a steel piece of the machinery which flew from a Buick car, driven by Robert Burman. The Buick Automobile Company, Nassau County and the American Automobile Association are made joint defendants. The amount of damage has not been made public. A strange fact connected with the accident is that the same piece of iron rebounded from Albin's head and struck L. E. Matthews, of Hempstead, causing a slight scalp wound. Nassau County is protected by a bond of $25,000 filed by the Long Island Motor Parkway Company, which is reported to have secured protection by taking out a policy in London Lloyds.

The **control** of the **Sterling Casualty Company,** which was organizing at Columbia, S. C., has passed to the Southern Life of Fayetteville, the charter of which provides for the conduct of various casualty lines, including accident and health. These branches will be written, and it is expected to take up liability business in the near future. The result of the consolidation was to increase the capital of the Southern to $275,000, with additional net surplus of $150,000. The company proposes to write a variety of contracts, among the number being life policies valued on the modified preliminary term plan, also coupon bond policies. The company is expected to enter the casualty department in the various States where the life company does business. The Sterling Casualty was floated by the Seminole Securities Company.

The new "unlimited health policy" of the **Ætna Life** which the agents of the company are preparing to push contains several features which are novel enough to appeal to policy holders. In the event of the insured becoming disabled from sickness the company will pay full indemnity during the time the policyholder is away from his business on account of ill health. Whether he is confined to the house matters not under this policy, and the insured is thus enabled to take a needed rest or change of air, as seems desirable. A further provision allows the policyholder to have a 50 per cent. indemnity on his return to business if he is unable to work more than a half day at a time.

The companies writing surety risks, which have been cooperating of late in regard to uniformity of practice and rating, met at Baltimore on Wednesday to ratify their stand as to the increased cost of all bonds. The adjustment of the **bank fidelity rate** was discussed among other things, and a rate of 40 cents was decided on, except for the very small country banks, where a 50 cent rate will be charged. It is announced that the companies do not expect to realize so much from the increase in the rates as from the fact that the uniformity of practice and the abolishment of competition along these lines will make it possible to conduct the business on a much more economical basis.

The **National Surety** is being sued by Edward M. Connolly, a Pine street insurance broker, for commissions which he alleges are due him. The allegation is made in the papers filed that since February, 1908, when he began giving some of his business to the Massachusetts Bonding because of his friendship for Ballard McCall, the resident vice president of the Boston company in New York city, he has been unable to secure from the National Surety any accounting of the moneys due him, and he therefore asks that an accounting be made. The National Surety, through an answer filed by Vice President Griffin, makes a general denial of the broker's claims.

The enterprising **burglars** who last Saturday morning **appropriated** several hundred pounds of **copper sheathing** which was riveted to the dome of the Cathedral of St. John the Divine, at 111th street and Morningside avenue, New York city, certainly deserve a gold medal. The sheathing was naturally valuable, but rather bulky to move. To reach their goal the burglars had to climb 185 feet to the roof and rip off the sheathing while a watchman made his rounds inside of the building. Their enterprise was truly commendable. It is high time that a roof insurance company was organized in New York city to protect property from the new "exposure" hazard.

Regarding a report that he was to sever his connection with the Philadelphia Casualty, **Superintendent Tillinghast,** of the accident department, has written us making an emphatic denial. In relation to the report Mr. Tillinghast says:

It has just been brought to my attention that someone has circulated the story that I am going to leave the service of the Philadelphia Casualty Company and connect with some other company. I am taking the liberty of addressing this letter to you to ask if you will not kindly mention in your valuable journal the incorrectness of this report, as I shall continue to devote my entire time and energies to the interest of the Philadelphia Casualty Company as heretofore. I might further say that all of the staff of the Philadelphia Casualty Company are going to remain with them, and, like myself, be loyal to the company's interests.

Last month there were only thirty-four persons killed in **street railway accidents** in Greater New York, a decrease of twenty-nine compared with the same month a year ago. It was in September of last year that the order of the Public Service Commission requiring a full report of all accidents on the lines of transportation companies under its supervision went into effect, and this is the first time that it has been possible to make a comparison of corresponding months. The total number of all accidents during September, 1907, was 5,202; last month it was 5,023, a decrease of 179.

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Provided the Court of Appeals of **Kentucky** sustains the recent decision of Judge Stout, of the Circuit Court at Lexington, which declared **unconstitutional** the **guaranty and surety features** of the revenue and taxation act of 1906, guaranty and surety companies in Kentucky will not be required to pay any taxes until after the next General Assembly convenes. The court held that the two methods of fixing franchise values provided by the law amounted to discrimination, which was illegal because it practically gave the franchise board the power to fix the tax rate, which is the right of the Legislature alone.

Agents of the **Commercial Accident** of Philadelphia have been supplied with literature in eight different languages to facilitate the sale of industrial insurance contracts among the foreign element. An accident contract must be a terrible thing to explain to a Hungarian or Croatian when the average plain straightforward contract in English is not understood by one layman in ten. The enterprise is surely commendable, but why shouldn't the policy be issued in the foreign tongue as well as the literature?

A form of **truckman's insurance** which will fill a long felt need has been originated by the **Insurance Company of North America,** and will be written through Jones & Whitlock, managers of the inland marine department. In the policy the truckman is protected against the loss of the goods while in his custody by fire, collision with another vehicle, theft or marine perils, or while on trucks crossing the river on ferryboats. The same covering is afforded goods on trucks of the merchants.

The companies writing casualty lines that have held several meetings in regard to a more **prompt collection of premiums,** met again on Monday in the office of the United States Casualty and received into membership the National Surety and the Ætna Indemnity. The only companies which have withdrawn from the agreement are the Travelers of Hartford and the Standard Accident of Detroit, both of which will follow out the ideas of the organization to all intents and purposes.

The organization of the **Prudential Casualty** of Indianapolis, which has been going on for some time, continues, and stock to the amount of $96,000 has already been subscribed. Officers have been elected as follows: Elias J. Jacoby, president; Preston C. Robush, vice president; Walter L. Dynes, secretary; Edgar D. Hunter, treasurer.

The entrance of the **Ocean Accident** into the **surety** and **plate glass business** was an announcement of the week which produced considerable interest. The company already has a large number of lines, but agents of the Ocean believe that they can nevertheless turn the company some more business in its new field.

A meeting of the committee of **insurance commissioners** appointed at the annual meeting of the National Convention of Insurance Commissioners to consider the **fidelity and surety business** will be held in New York city on November 10. Minimum capital requirements, restrictions in investments, loss claim reserves and other details will be considered.

General agents of the **National Surety** to the number of seventy-five are expected to attend the one day **convention** arranged to be held Monday at the home office in New York. Business sessions will be held, interspersed with social features. In the evening the whole party will attend the performance at the Hippodrome.

All indications point to an unusually successful meeting of the **Board of Casualty and Surety Underwriters** on Tnesday next at the Hotel Astor. After a busy day of business the members will throw cares aside for the banquet to be served in the evening.

A bill requiring manufacturers to insure their **laborers** against **accidents** while employed in factories, and to provide for them in case of illness, is being considered at the present time by the **Russian Duma.**

An **organization** of **surety agents** at **Detroit,** Mich., has been effected and an agreement entered into not to rebate nor to pay commissions to outside parties.

The **Massachusetts Bonding** of Boston has withdrawn from the Burglary Underwriters' Association.

Obituary.

Death of Charles E. Rollins.

Mr. Charles E. Rollins, insurance journalist and for many years identified with insurance interests in the West, died at a sanitarium at Milwaukee, Wis., on Thursday after a long illness.

He was a native of Holderness, N. H., where he was born August 21, 1845. Mr. Rollins entered the insurance business as a local agent at Lawrence, Mass., in 1866. He was afterward an agent at Philadelphia, and in 1875 removed to Chicago, purchased the *Insurance Herald,* the name of which he changed to the *Argus,* and remained its publisher to the present time.

Mr. Rollins also had numerous outside interests, being land agent of the Chicago, Milwaukee & St. Paul Railroad for ten years and later occupying a similar position for the Wisconsin & Michigan. He was a prominent member of the Illinois Club, and also a member of the Illinois Athletic Club, and life member of the Press Club of Chicago. He also was a member of the Odd Fellows and the National Union. He leaves one son, Charles E. Rollins, of Rollins & Burdick, insurance agents in Chicago. The funeral services will be held at the chapel at Graceland Cemetery, Chicago, today, and the remains will afterward be cremated.

Miscellany.

Affairs of the Mutual Savings Life Insurance Society, Formerly the Fellowship of Solidarity—Resignation of President Fricke and the Vice Presidents—Examination of the Society by the New York Insurance Department Begun.

As announced in our columns last week, all the officers of the Mutual Savings Life Insurance Society of New York, formerly the Fellowship of Solidarity, with one exception handed in their resignations to the board and members on October 1. The following is the letter of resignation of President Fricke, together with the resignations of the vice president, the Hon. Julius E. Roehr, Rev. L. B. Plumer and Hon. Elmer H. Dearth and the assistant secretary, A. L. Monahan.

PRESIDENT'S LETTER OF RESIGNATION.

Mutual Savings Life Insurance Society,
299 Broadway, New York, October 1, 1908.

To the Board of Directors and Members of the Mutual Savings Life Insurance Society:

It will be useless and a waste of time to continue longer with any hope of building up the society, so long as my energies and efforts must continually be employed to counteract the deter-

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mination of a majority of the board of directors to impose a load of indebtedness for advances alleged to have been made to promote the organization under the name of "Fellowship of Solidarity," and which imposition, if permitted, would in the future, as in the past, act as a constant incentive for renewed efforts for a reinsurance of the business, in the hope of sooner realizing payment.

The claims and statements on file for such alleged advances amount to $18,079.88, and notwithstanding that this matter has been "hanging fire" and had been under almost constant discussion since January 28, it was impossible to secure authority from the board for an audit of these claims and statements until August 5, and although the audit was promptly made—by which such claims were reported at $3,451.61, and which would be further reduced by requiring a showing of the authorization for such payments—it has now become impossible to secure such action on this report of audit by the board as would definitely fix the liability of the society. The various claims of the founder—if allowed as on file—would aggregate and impose a liability of $11,956.73.

With an expense provision on old business ($1,484.67 annually) too small to meet even the actual expenses of the office—not including clerk hire—and the requirement that new business, with its small expense margin, must be written so as not only to pay for itself, contribute to the general expense, and in addition provide for the gradual payment of the indebtedness alleged to have been incurred for advances to promote the "Fellowship," I have been confronted with a problem the solution of which first demanded a definite determination of the liability of the society before I could feel warranted in raising the necessary funds to make the proper efforts to extend its growth.

Under the previous administration, and under the immediate supervision of the founder of the society, the net results *for the year 1907* were *forty-three new policies* at a commission cost of $1,376.28, a syndicate claim for alleged advances of $4,522.50, and a similar claim of $901.04 by the founder of the society, thus making the cost for obtaining the net result of forty-three policies during the year 1907 a total of $6,799.82, which with an average annual cash premium per thousand of insurance written of $19.03, and an average expenditure of $97.84 per thousand for obtaining the same, would give an average commission cost of 514 per cent. The same number of policies, with the same amount of insurance *written this year* under my supervision, with the restrictions and limitations imposed by necessity, involved commission payments of only $872.88 as a total cost; or, in other words, with an average annual cash premium per thousand of $29.70 and an average expenditure of less than $13 per thousand, the same number of policies and amount of insurance were obtained at an average commission cost of less than 44 per cent.

The attempt to reinsure the "contract reserve business" of the *Mutual Reserve* is an example of the extremes to which the influences prompting the imposition of this indebtedness would go, for aside from the $2 per thousand, which under the reinsurance contract would have been payable to the receivers, the entire expense provision on this business, under the agreement creating the special fund, would have been applied to the payment of this indebtedness, leaving the expense for its conduct as an additional imposition upon the society. Compared to this advantage to the claimants, the fact that the mortality experience on the business we could so obtain would wreck the society, did not seem worthy of consideration, had I been willing to assume the responsibility of accepting this business—which I emphatically declined to do.

Add to the many annoyances and differences arising out of this matter, the controversy with the Department of Insurance on policy forms and practices, I have been compelled to take up and devote my time to matters which should have been settled when the society was organized—June 2, 1902—and which I had a right to assume had been definitely passed upon and settled.

While in my opinion the Superintendent is clearly in error on many of the questions raised, there have been methods and practices on the part of the society in the past which undoubtedly exceeded the authority conferred; so much so that before these questions with the department arose I was prompted in my communication of June 12 to the board of directors to say:

"There must necessarily be a clear line of demarcation between the society and its functions and a purely old line company, and if we do not keep within and fix this line of demarcation ourselves we may expect at any time that the Insurance Superintendent will step in and do it for us."

With a purpose to give full and complete compliance with every requirement of the law, I decline to be placed in a false position by appearing before the Insurance Department or the Attorney General to argue against certain contentions of the Superintendent, whereon I believe we are right, when on other matters incidental thereto and equally important—though not directly raised and at issue—I am convinced that we are wrong, even though in their practice the dictum of the founder of the society has been followed.

The peculiar and dominating influence which has prevailed since organization and which has retarded growth must be thoroughly eliminated before the society can hope for real progress, and by this I mean that the syndicate trustees, whose chief interest lies in establishing an indebtedness—the amount of which shall be unquestioned—and securing its payment at whatever cost, vacate their positions on the board of directors and permit the selection of men whose one and sole interest as such directors is the growth and success of the society.

The society is today better financially and in every way than it was when the reinsurance of its members was under consideration last fall, but for its greatest need—a large increase in membership—every effort has been retarded by the annoying and aggravating conditions which have continually prevailed.

Better a reinsurance now, while every policy can be transferred and each member fully protected, with all just claims paid, and no indebtedness for which they are liable, than a continuance of conditions which make it impossible to give to new members the assurances they have a right to expect.

Having accepted the office of president on assurances and assumptions not founded on fact, I continued as a duty, hoping that my efforts might be of service to the membership, until now convinced that nothing short of a climax will place responsibility where it rightfully belongs.

I therefore notify you that I have resigned and this day vacated the office of president. Yours, etc.,

WILLIAM A. FRICKE.

PRESIDENT FRICKE TO DIRECTOR DOREMUS.

NEW YORK, October 5, 1908.

Mr. W. J. Doremus, 17 South William Street, New York City:

MY DEAR MR. DOREMUS—The more consideration I have given your request the more firmly I am convinced that the proper course for me is to resign and sever all official connection with the society. Your efforts to sustain my contention and your interest for the growth of the society have been at all times a source of encouragement and placed me under many obligations to you personally, but constituted as is the board of directors, its powers and the influence dominating its every action, a continuance on my part would mean only acquiescence of questionable methods and practices.

For two years the membership have been deprived of all rights and voice in the selection of the officers, and ever since organization the board of directors has been a self perpetuating body, contrary to the law of the State and the charter and constitution. At no time has the membership been given an insight into the management or the exact condition of the society, and when I submitted a report to the board—June 2, 1908—to enable the board to make such a report at the annual meeting of the society, the annual meeting was not called, and my investigation into the methods, practices and condition of the society was looked upon as an offense and a reflection by Miles M. Dawson, who, if the society had been organized with a capital stock and he owning and controlling every share, could not more completely have dominated, and to whom even the law and the constitution were only things to be ignored when in conflict with the dictates of his infallible judgment.

Miles M. Dawson had such complete control of the society for six years that he alone must assume full responsibility, and no man ever had more favorable conditions to exploit his theories, and having failed to make the society a success, I had reason to assume that with the change of name and revision of the laws, that from March 9, 1908, the domination which had been a blight to success would end, and that I was to be given an opportunity to build a progressive successful institution.

My report of June 2, and my refusal to permit him to unload the graveyard risks of the Mutual Reserve on the society, was followed by a communication to the board in which he handled the truth as recklessly as he seems to have handled the details of the business affairs of the society. My answer of June 12 was followed by a series of similar communications and his retirement from the board as a member and as its chairman. His determination to ruin where he could not rule is evidenced by the selection, by reason of his still dominant influence of the board, of his own successor, a man whom he well knew would accept membership on the board only for the purpose of wrecking the society by a reinsurance, in the hope that by such a reinsurance a bonus might be secured to be employed in meeting an indebtedness incurred by former mismanagement and so shirk a possible eventual personal liability.

With such conditions real progress was hopeless. The most I could do was to straighten out tangles, enforce correct methods and accounting, and stand between the membership and unjust

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impositions, and having placed responsibility where it properly belongs, my resignation is a climax which will at least result in safeguarding the policyholders and bring to their notice the actual conditions.

I have never objected to the payment of any just claim for advances to promote the growth of the society even when no results for such expenditures were shown; but it requires only an investigation of the claims filed for such alleged advances to convince that to accept them unquestioned would be more like looting the institution, hamper progress and act as a constant incentive to reinsure in the hope of securing more prompt payment. Having dictated the appointment of the three syndicate trustees as members of the board of directors—whose chief interest as such directors is centred in the payment of these claims—the report of the committee to audit these claims was met by evasion, and for four meetings of the board it was impossible to secure a quorum—possibly due to the fact that the syndicate trustees constituting a majority of the board of directors were awaiting their orders from Norway.

I can well understand that men with improper motives must be timid and suspicious when confronting the conditions which this report of audit presents, but in this case evasion of the issues can never bring about a settlement and relieve them from personal liability.

With my great desire to succeed and the favorable prospect of realizing results from the arrangements made, frankness and fair dealing were all that was necessary to secure a new agreement as to advances proven to be actual expenditures; but for such new agreement it must necessarily have been a requirement that the syndicate trustes retire from the board, and that every incentive for reinsurance be removed by the specific provision that such claims shall not be a liability in the event of a reinsurance of the business, so that the interests of the syndicate trustees and claimants should be the success of the society—not its failure. With the proper steps taken for such a new agreement it would have been possible to correct the illegality in the composition of the present board by permitting the members themselves to elect a full board of *nine* directors, and so eliminate all influences which in the past have prevented the growth of the society. But with the disposition shown—which would mean only a continuance of conditions tending to failure in the end—a withdrawal of my resignation becomes impossible.

A copy of my communication to the board was forwarded to each of the vice presidents, and in reply I received the resignations of Hon. Julius E. Roehr, Rev. L. B. Plumer and Hon. Elmer H. Dearth as vece presidents, which I have turned over to the secretary, with the request to present them to the board of directors at the next meeting. Very truly yours,

WILLIAM A. FRICKE.

P. S.—When I state that there was no election of officers or members of the board of directors during 1907 by the members, such statement is based on the fact that there is no record of such an election in the minutes or records of the society.

RESIGNATIONS OF OTHER OFFICERS.

Telegrams, October 5, 1908:

"I hereby resign as vice president. JULIUS E. ROEHR."

"This telegram is my resignation as vice president, effective immediately. L. B. PLUMER."

"I hereby tender my resignation as vice president, to take effect immediately. ELMER H. DEARTH."

Communication to the board of directors, October 7, 1908:

"I hereby resign as assistant secretary of this society."

"A. L. MONAHAN."

REPORT OF AUDIT OF CLAIMS.

The following is a report of audit of claims filed under the agreement of January 28, 1908:

NEW YORK, September 5, 1908

To the Board of Directors:

GENTLEMEN—Under the resolution adopted August 5, 1908, the chairman, president and assistant secretary were directed to audit all claims filed under the *syndicate agreement*, and to report their findings and recommendations to the board of directors for consideration.

The original syndicate agreement was entered into November 12, 1906, through the assignment of the agency contract of Philip C. Wadsworth to the so called Fellowship Syndicate, of which Willard A. Boyd, Alfred M. Best and Robert H. Fordyce acted as managers, in consideration of which assignment the said syndicate agreed to advance money to be used in promoting and extending the business of the Fellowship of Solidarity.

September 25, 1907, Philip C. Wadsworth resigned as agent of the Fellowship of Solidarity, and on January 8, 1908, the executive council canceled the Wadsworth agency contract and also the collateral agreement with the Fellowship Syndicate under which the managers could appoint—but which they failed to do—a successor to Wadsworth to conserve the interests of the syndicate under the assignment of his agency contract.

January 28, 1908, the executive council of the Fellowship of Solidarity acknowledging "that there is a moral obligation on its part to reimburse those who have advanced money for said Fellowship under the representations made to the subscribers and contributors" to the Fellowship Syndicate fund, directed that an agreement be entered into with Willard A. Boyd, Alfred M. Best and Robert H. Fordyce, acting as managers for such contributors and custodians of said fund, under which said agreement there was to be created a special fund by the Fellowship of Solidarity under which certain margins of the loadings of new premiums received by the Fellowship of Solidarity, after deducting a certain scale of commissions and renewals, should be paid "to be devoted to the repayment of all who have heretofore or may hereafter advance money for or on behalf of said Fellowship," and in consideration of which the said Willard A. Boyd, Alfred M. Best and Robert H. Fordyce, "having in mind the interests of the said Fellowship," "offered to give their services in an advisory capacity to the said Fellowship," "render such aid and assistance as may be in their power in inducing members of the Fellowship to obtain new members, and in giving counsel and assistance in the general work of the order."

Under this new agreement the said managers for the contributors to the Fellowship Syndicate fund, and every other person having advanced any money for or on behalf of the Fellowship of Solidarity, were required to file with the president a verified statement of such claim *within thirty days* from the date of such agreement.

While this new agreement was dated January 28, 1908, the agreement was not filed with the president until February 24, 1908, and the construction placed upon the *thirty day provision* by the president was that the thirty days within which such claims must be filed began with the date of the filing of the agreement and would expire March 24, 1908.

At the request of Mr. Miles M. Dawson a further extension of thirty days was voted by the board of directors March 25, 1908, making the time limit for the filing of such claims *April 25, 1908.*

By that date statements were filed as follows:

Fellowship Syndicate managers	$6,300.00
Miles M. Dawson	6,893.35
B. A. Scott	960.80
W. L. Culbert	387.35
C. W. Jackson	25.00
There had also been filed under date of June 24, 1902, claims under a similar agreement at that time, as follows:	
Miles M. Dawson—	
Professional services	2,000.00
Cash disbursed	1,013.38
John Ford—	
Professional services	100.00
Cash disbursed	400.00
Total	$18,079.88

MANAGERS' STATEMENT, FELLOWSHIP SYNDICATE.

The statement filed *shows only the amount collected* by the managers, but *does not show* the amount of money advanced for the promotion of the Fellowship. The statement shows the collection of $450 after Wadsworth resigned, and also the collection of $1,250 on January 8, 1908. Neither on that date nor since, to the knowledge of the president and assistant secretary, were there any advances made by said managers on behalf of the order or society. The statement filed is not in compliance with the requirements of the agreement of January 28, 1908, and must therefore be eliminated in the audit of claims under such agreement.

Surely if there is any moral obligation on the part of the society to assume the repayment of money advanced under the Wadsworth agreement to promote the growth of the Fellowship, we are entitled to know to whom paid and for what purposes such money was expended, and certainly the $1,700 claimed to have been collected since Wadsworth's resignation and for the expenditure of which there was neither warrant nor opportunity, can form no part of such an obligation.

The managers of the Fellowship Syndicate had no authority to issue certificates or pay out moneys, except under the authority conferred by the agreement entered into with Philip C. Wadsworth, which particular provision reads as follows:

"The said Willard A. Boyd, Robert H. Fordyce and Alfred M. Best shall be managers of the said syndicate, with full power and sole discretion to pay out and expend the money thus paid to them by the members of the syndicate *to the said Philip C. Wads-*

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worth, or his successor, as agent, as in their judgment the same may be required *for obtaining, furthering and promoting* of the business of the Fellowship of Solidarity."

Nor could the managers issue any certificates, *except for money actually received by them,* as shown by the following provision:

"11. The managers shall issue a certificate of membership, stating *the amount actually received by them* and signed by each of them," etc.

So that in passing upon any claim submitted by such managers it must necessarily be shown that the money expended was disbursed in strict conformity with the agreement, and any liability incurred by the managers for certificates issued contrary to said agreement becomes personal obligations of their own, to be settled by them with such certificate holders, and can in no sense be considered a part of any claim—moral or othewise—coming within the scope of the agreement of January 28, 1908.

Not only is the statement filed by the managers *not in conformity with the requirements of the agreement of January 28, 1908,* but it is silent also as to the commission payment of $245.32 received by them under the Wadsworth contract, for which credit should have been given, nor is there any mention of a cash balance remaining in such fund.

The time limit having expired within which claims were required to be filed under the new agreement, we can see no way of reopening this matter except by a new agreement, and in this connection any action becomes questionable when the fact is taken into consideration that the three managers of the Fellowship Syndicate now make up three of the five members of the board of directors of the society.

OTHER CLAIMS.

In the minutes of the executive council as of January 27, 1903, which minutes are signed "Miles M. Dawson, Chairman," appears a financial statement of the preceding seven months, showing disbursements during this period of $2,402.24, followed by the explanatory remark that this *"includes all the cost for organization,"* and accepting this official record as correct, your auditors have eliminated all claims and claim items for any exepnditures or advance claimed to have been made prior to December 31, 1902. These eliminations are referred to as under "Rule 1."

This eliminates the claims filed as of June 24, 1902, for professional services and cash disbursements of

Miles M. Dawson	$3,013.38
John Ford	500.00

Largely the Scott and Culbert claims are made up of moneys paid to Miles M. Dawson, and instead of disallowing such claims, they have been allowed and such amount—where not already credited as a payment—charged against the claim of Mr. Dawson (referred to as under Rule 2). This is the only course or method to avoid a duplication of such expenditures, and is justified by the audit of the account of Mr. Dawson by Touche, Niven & Co., from whose report we quote:

"The receipts shown by us, amounting in all to $624.56, are the only ones which appear from the stubs of your check books to have been received on account of the Fellowship. At the same time we would point out that our examination should not be regarded as conclusive in this particular, inasmuch as there are a great many receipts recorded on the check stubs which give no indication of their source, and it is possible, therefore, that certain of these might comprise moneys received from or on account of the Fellowship. In this connection, however, we would suggest that any additional payments to you could be ascertained from other sources, and any payments so claimed could be then traced by you into your own records."

B. A. SCOTT CLAIM.

Amount claimed $960.80. Under "Rule 1" there is eliminated $379.87 and items $16.91, May 24, 1904; $95.04, September 22, 1905; $41.10, July 3, 1906, which represent *premium payments* and *not* advances, and $34.55, May 22, 1905, representing *payment of interest* on policy loan; making a total deduction from this claim of $567.47, leaving as the amount allowed $393.33, and as all of this represents payments to Miles M. Dawson, that amount is charged as a payment against the Dawson claim under "Rule 2."

WILLIAM L. CULBERT CLAIM.

This claim as filed is for $387.35; in this is included $200 paid to the Fellowship Syndicate, which amount, therefore, is eliminated. There is also included $12.35 as paid November 8, 1905; this represents a premium payment on policy No. 2,599, and is also eliminated. This leaves the balance of this claim made up of $25 paid to W. Goodyear—for what purpose is not stated—and $150 paid to Miles M. Dawson, which amount under "Rule 2" we have charged as a payment on the Dawson claim, thus allowing the Culbert claim for $175.

C. W. JACKSON CLAIM.

This claim is for $25, and represents an advance made to an agent of the Fellowship who was engaged under an advance agreement. Mr. Jackson in good faith made this advance as a temporary loan, expecting its return. This claim is allowed in full.

M. M. DAWSON CLAIM.

This claim as filed is for $6,893.35, and as shown by audit of Touche, Niven & Co.—copy of which is attached with copy of letter from these accountants—Exhibit A—was allowed by them for $5,512.55, to which should be added the *Chronicle* bill of $498.48 assumed by Mr. Dawson, making a total of $6,011.03. While we have no means of verifying the various amounts making up the items of the Touche, Niven & Co. audit of this account as hereto attached, we have deemed it advisable *for the purposes of this report* and for the consideration of the board of directors to accept the figures of such audit.

The deductions to be made from the amount of $6,011.03 are as follows:

$624.56	reported as receipts or payments on account by T., N. & Co. "Exhibit A."
592.00	under Rule 1, with items running back nearly two years before the Fellowship was organized.
393.33	under Rule 2, as the amount paid to Mr. Dawson by B. A. Scott and allowed in his claim.
150.00	under Rule 2, the amount paid Mr. Dawson by William L. Culbert and allowed in his claim.
1,392.86	payments to Mr. Dawson from entries of cash book of Fellowship of Solidarity not included in T., N. & Co.'s audit, as per "Exhibit B."
$3,152.75	total deductions.

Thus leaving the M. M. Dawson claim $2,858.28, at which figure it is reported to the board of directors.

CONTINGENT CLAIMS ON SPECIAL FUND.

Under the agreement of January 28, 1908, the claims submitted have been audited and are reported to the board of directors as follows:

B. A. Scott	$393.33
William L. Culbert	175.00
C. W. Jackson	25.00
Miles M. Dawson	2,858.28
Total	$3,451.61

CONCLUSION.

At the time of the adoption of the resolution directing this audit there was some question who was the chairman of the board of directors, and after the designation of Mr. Alfred M. Best notice of the purport of the resolution was given to Mr. Best, who informed the assistant secretary that he would be out of town until August 31. As the resolution directed a prompt audit and report, and assuming that Mr. Best; as chairman of the board of directors, and as one of the managers of the Fellowship Syndicate, had some hesitancy in acting as one of the auditors, the president and assistant secretary, after waiting until this date, performed the duties directed by the resolution, and their report is hereby respectfully submitted.

WILLIAM A. FRICKE,
President.
A. L. MONAHAN,
Assistant Secretary.

STATEMENT OF MR. LOMBARD.

William Lombard,
Expert Adviser on Accounts and Business Systems,
SINGER BUILDING, NEW YORK, September 21, 1908.

To the Board of Directors, Mutual Savings Life Insurance Society:

This is to certify that I have examined the foregoing report of audit of claims and fully agree with all its findings and recommendations, *except* so far as it relates to the Miles M. Dawson claim, with which I disagree for the following reasons:

1. The audit of this claim by Touche, Niven & Co. calls attention to items amounting to $979.98 where the "check stubs do not specifically state payment to be on account of the Fellowship"; these items should not be allowed unless authorization for expenditures is shown.

2. The statement submitted for audit also contains items amounting to $685 as payments to A. B. Dawson and $100 to C. A. Higgins for which no authorization is shown in the records of the society, as well as a number of other such items; a number of the payments to A. B. Dawson and C. A. Higgins are included in the $979.98 unverified "check stubs."

In my opinion a careful verification of the various items making

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up the Miles M. Dawson account would require still further deductions. Respectfully, WILLIAM LOMBARD.

EXAMINATION OF THE SOCIETY BY THE NEW YORK INSURANCE DEPARTMENT.

In consequence of the resignations of the officers of the society the Superintendent of the New York State Insurance Department began this week an examination of its condition. Examiner Hadley is in charge.

The Southern Fire Insurance Commissions Question—One Local Agent Who Is Not Yet Pacified.

The communication from Secretary Miller of the Eastern Union to L. W. Childrey, president of the Virginia Association of Local Fire Insurance Agents, to the effect that when the subject of the change in commissions in the South first came up it was considered by the companies which are members of the Eastern Union, "but as the South Eastern Underwriters' Association has jurisdiction, and because, also, there is a rule of that association controlling commissions to be paid, the companies of the Eastern Union felt their influence must be used through the South Eastern Association, and it was so used and resulted in an unwillingness to change the present form of compensation," has not satisfied Col. Walker Taylor, the widely known Wilmington, N. C., local agent, and he has addressed the following lively letter to the companies which he represents at Wilmington, and which are members of the South Eastern Underwriters' Association:

GENTLEMEN—You are doubtless aware of the fact that the South Eastern Underwriters' Association at its May, 1907, meeting appointed a committee of nine to confer with representatives from the local agents' association in its territory on this subject. You are also aware of the result of that conference, and of the reference made to this question by the president of your association in his annual report, which report, we understand, was unanimously adopted by the association, as was the report of the committee itself. We understand that reference in the president's report was to the Eastern Union as being the controlling power in the situation, and acting upon this in August last we addressed a communication to your association with the request that it be forwarded to the Eastern Union. This was done, and the secretary of the Eastern Union advised us that this matter was entirely under the control of the South Eastern Underwriters' Association. This is how the matter now stands.

ACTING FOR NORTH CAROLINIANS.

My State association designated me a committee to prosecute this matter to a conclusion, and I feel that the trust reposed in me by my association requires that I make them a report of a definite nature. My association has been more than generous in following such suggestions and recommendations for conservative action as I have made to them from time to time, but I could hardly expect them to follow any further suggestions that I may make unless I was able to give them some definite information.

It occurs to me that the game of hide and seek has ceased to be attractive, and among fair dealing American citizens it should cease. We are either entitled to be placed on a footing with our brother agents in adjoining territory, or we are not. If we are not entitled to this consideration we should be told so frankly, and the reason assigned. Shutting the door in our face and abruptly terminating conference and negotiations is never a satisfactory adjustment of any matter, but really leaves the matter in a worse condition than before, and that is the condition in which we find ourselves. There is not a labor union in America today that cannot, through its proper representatives, secure an audience with our greatest corporations, and this in twenty-four hours after request is made. We are denied this privilege.

CERTAINLY SOMEBODY'S BUSINESS.

For twenty-five years all of our dealings have been with the South Eastern Underwriters' Association. They were the only people we knew to whom to go, and when we appealed unto them they directed us to another party. We went to that party, and then he tells us he has nothing to do with the matter. Now this is certainly somebody's business, and somebody has got something to do with it. When we write a policy on the wrong form or the wrong rate, the companies don't have to go from Maine to California to find the proper organization to which to direct us to correct that policy, or cancel and remain off the risk for twelve months. But when it comes to the commission question everybody dodges and runs under cover, and says talk to the other fellow.

ENTITLED TO CONSIDERATION.

Why is it that you are handling this question different from any that we have known you to handle before? We think we are entitled to better consideration at your hands. One of the non-tariff home interests advised the agents what to do, and their advice is to notify all companies to release us from the commission agreement. This, then, is their very prompt and definite advice. We have advised strongly against this action, and the agents so far have respected our views.

Since we have advised the agents to stand by their commission agreement we have learned to our surprise that we are the only agents in this country that a pledge of this kind is exacted from. Our information is that you don't require the commission pledge from agents in Tennessee, Kentucky or West Virginia, our adjoining States. If you have decided not to give this matter any further consideration, but to stand on the flat 15 per cent. commission, do you not think it would be proper to so advise the agents definitely, and at the same time relieve them of their commission agreement, which they have voluntarily given you? If in your judgment this is the proper course to adopt at this time, and will so advise me, I will communicate the same to our North Carolina association. We realize that this is hardly a just proposition to submit to you as an individual company, as it seems to us that it should be handled through your organization, but as your organization refuses to act in the premises we have but to appeal to you direct.

We will appreciate any definite suggestions or answers that you have to make. Yours very truly, WALKER TAYLOR.

Insurance Against the Hazard of Unemployment.

(The London Daily Chronicle.)

It is known that the subject of State insurance has been before the cabinet for some time. We believe it has now been definitely decided to appoint a royal commission to inquire into the whole question of State action in this matter. An announcement to that effect will probably be made in the autumn session. More than once during the discussion of the Old Age Pensions Bill the Chancellor of the Exchequer referred to the necessity of some provision for insuring workers against what may be called the ordinary vicissitudes of industrial life. The Workmen's Compensation Act covers admirably and adequately the risk of accident. Under the beneficent provisions of that act the disabled worker is compensated for injuries sustained by him in the course of his mployment, and provision is made for his dependents where the accident is fatal. The present Government has extended the benefits of the compensation so as to include the sufferers from what are known as "industrial diseases." So far so good.

But there are other risks attendant on the life of the wage-earner against which he is very imperfectly protected. For instance, his health may break down from causes unconnected with his occupation. Through the noble work of friendly societies something is done by his own unassisted efforts to safeguard him against this sad contingency. There is another risk against which he is almost entirely unshielded. We refer to unemployment, a haunting spectre from fear of which even skilled artificers are seldom wholly free. The industrial evolution has brought many benefits to the working classes. Wages are better, hours of work are shorter, the necessaries of life are cheaper. Against these conspicuous gains must be set certain definite losses. The limited company has usurped the place of the employer of the old type, with his sense of personal responsibility, his kindly attitude to his workmen, his pride in their long years of service with the firm. Whatever the merit of limited companies, they are much less responsive to human sympathies than the old type of employer. To the alert manager of the industrial concern, who is eager above all things to maintain the dividends, the working man is only a wheel in an intricate piece of mechanism. The kindly human impulses wither away in this atmosphere of hard commercialism. Thus it comes about that men are dismissed lightly, capriciously, with no thought of what dismissal may mean to the dismissed man and those dependent on his earnings.

We are afraid that this tendency has been encouraged to some extent by the insurance companies which deal with the business of employers' liability. Under pressure from the insurance companies, works managers are reluctant to employ men suffering from slight defects, though these defects in no way impair their industrial efficiency, and for the same reason they set their faces against the employment of men over forty. These tendencies,

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with the tightening up of the whole industrial machine in these modern days, have had a detrimental effect on labor. While the worker's pace has become hotter his tenure has become less secure. So, against the conspicuous gains which the developments of industry have brought to the working classes we must place these undeniable losses. Everyone who knows something at first hand of the life of the workers knows how widely felt and how keen is the dread of unemployment. An inestimable boon would be conferred on the working classes if they could be given some security against this dread. As they would gladly contribute their own quota to the cost of insuring against both sickness and unemployment, the creation of a great State scheme with these beneficent objects in view ought not to be beyond the wit of our statesmen.

"It is Our Firm Conviction, After Twenty Years' Experience, That the Public Demand is for a Guaranteed Contract Such as is issued by The Prudential."

That's the way PRUDENTIAL FIELD MANAGERS are talking about

The NEW Low-Cost Life Insurance Policy of

The Prudential

MORE LIFE INSURANCE FOR LESS MONEY — THE PRUDENTIAL HAS THE STRENGTH OF GIBRALTAR

The Greatest Success in Life Insurance!

We want Agents.
We want Managers.
We want YOU!

THE PRUDENTIAL INSURANCE COMPANY OF AMERICA
Incorporated as a Stock Company by the State of New Jersey.
JOHN F. DRYDEN, President — Home Office, Newark, N. J.

ONLY THE MAN
with a Columbian National License may sell
Massachusetts Non-participating Life,
Massachusetts Accident, Health and Disability
Liberal Policies backed by a Large Surplus
We want high grade men—General Agents, City Managers and District Managers. Save time by writing fully.
THE COLUMBIAN NATIONAL LIFE INSURANCE CO.
Home Office: 150 Federal St., Boston, Mass.

INCORPORATED 1851.
Berkshire Life Insurance Company
OF PITTSFIELD, MASS.
All Policies issued by the Company are subject to the Massachusetts Non-Forfeiture Law.
JAMES W. HULL, Pres. — J. M. LEE, Actuary.
THEO. L. ALLEN, Sec. — ROBT. H. DAVENPORT, Asst. Sec.
Agencies in all the principal cities of the United States.

BRITISH AMERICA ASSURANCE CO., INCORPORATED 1833.
FIRE AND MARINE. Head Office: TORONTO, CANADA.
UNITED STATES BRANCH.
JANUARY 1, 1908

Assets	1,545,432.95
Liabilities	1,063,661.65
Net Surplus	$481,771.19

HON. GEO. A. COX, President. — W. R. BROCK, Vice President.
W. B. MEIKLE, General Manager.

The Agricultural Insurance Company of Watertown, N. Y.
ESTABLISHED 1853.

Assets, January 1, 1908	$2,717,477.10
Total Liabilities, except Capital	1,705,859.80
Joint Stock Capital	500,000.00

NATIONAL LIFE INSURANCE CO.
of the United States of America.
CHICAGO
ESTABLISHED 1868
ALBERT M. JOHNSON, President
ROBERT E. SACKETT, Vice-President
CHARLES B. SHEDD, Treasurer
ROBERT D. LAY, Secretary

RECORD OF 1907

Insurance in Force December 31st.	$50,066,932.77
Gain in Apportioned Surplus in 1907,	105,734.09
Gain in Assets,	1,037,668.19
Excess of Income over Disbursements,	1,093,023.43

CHICAGO'S OLDEST AND STRONGEST COMPANY

The Preferred Accident Insurance Company of New York
SUPERIOR POLICIES
KIMBALL C. ATWOOD, President,
290-292 Broadway, New York.

Provident Life and Trust Co.
OF PHILADELPHIA.

The new policies of the Provident are unsurpassed for conciseness and simplicity of form and for adaptability and liberality in all essentials.

The premium rates of the Provident are exceedingly low and are still further reduced by large annual dividends.

North British & Mercantile
INSURANCE COMPANY,
OF LONDON AND EDINBURGH.
Established 1809.
OFFICE:
76 WILLIAM STREET,
New York City.

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THE LEADING FIRE COMPANY OF THE WORLD

ROYAL INSURANCE COMPANY LIMITED

[of Liverpool, England.]

"THE COMPANY WITH THE PYRAMID"

38 CONSECUTIVE YEARS OF PYRAMIDAL PROGRESS

ASSETS	SURPLUS
284,386.46	8,691.82
298,414.32	10,338.82
314,435.52	15,336.82
346,338.23	32,838.44
393,337.12	50,141.87
423,362.00	77,123.09
453,154.87	94,924.83
482,977.65	113,478.14
507,616.00	127,679.39
537,823.59	147,133.04
565,334.20	171,248.08
618,192.98	183,106.52
915,132.37	204,407.98
965,147.93	208,162.65
1,014,579.95	214,060.60
1,101,461.03	219,983.34
1,191,863.33	237,759.15
1,269,088.30	264,744.03
1,505,101.00	304,351.79
1,588,816.66	323,479.81
1,659,157.79	360,138.69

NEW HAMPSHIRE FIRE INSURANCE CO.

2,581,210.48	624,347.45
2,937,319.76	840,940.17
3,474,683.86	1,017,832.87
3,[illegible]	1,[illegible]
3,8[illegible]	1,193,[illegible]
3,911,743.34	1,199,685.49
4,069,140.67	1,252,267.06
4,310,636.19	1,257,088.25
4,500,404.12	1,322,978.14

MANCHESTER, N. H.

TOTAL LIABILITIES $2,077,425.98

POLICYHOLDERS' SURPLUS $2,422,978.14

SURETY ON BONDS

American Surety Company of New York

100 Broadway, - New York

Capital, $2,500,000

Home Office Building, New York.

Bonds issued for Employees, Administrators, Guardians, and in Judicial Proceedings.

STATEMENT DECEMBER 31, 1907.

Resources (including Capital, $2,500,000)..... $6,365,342.47

Liabilities (including Reserve, $1,126,946.11).... 1,746,329.08

HENRY D. LYMAN, *President.*

W. S. JOHNSTON, *Vice-President.*

Organized 1871

Life Insurance Company of Virginia

HOME OFFICE, RICHMOND, VIRGINIA

J. G. WALKER, President.

T. WM. PEMBERTON, 1st Vice-Pres. W. L. T. ROGERSON, Secretary.

The PIONEER Southern Industrial Life Insurance Company.
The OLDEST Southern Life Insurance Company.
The LARGEST Southern Life Insurance Company.
The most approved forms of Life, Endowment and Industrial Policies issued on favorable terms.

Assets ..... **OVER $4,000,000.00**

Insurance in force ..... **OVER $61,000,000.00**

Total payments to policyholders since organization ..... **OVER $8,500,000.00**

Established 1782.

Phoenix Assurance Company, Ltd.,

OF LONDON.

FIRE INSURANCE ONLY. LOSSES PAID, OVER $135,000,000.

Head Office for the United States, 47 Cedar St., N. Y.

A. D. IRVING, Manager LOUIS P. BAYARD, Asst. Manager

A. D. IRVING, JR., Sec.

COMMERCIAL UNION ASSURANCE CO.

LIMITED,

OF LONDON.

OFFICE:

Cor. Pine & William Sts., New York.

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1860 48TH YEAR 1908

HOME LIFE INSURANCE COMPANY

OF NEW YORK.

GEORGE E. IDE, President

ASSETS, $20,004,853.63. LIABILITIES, $19,235,418.20.
(Including Dividend-Endowment Fund)

Dividend-Endowment Fund (Deferred Dividends). $1,795,020.00
Net Surplus..... 769,435.43
Insurance in Force..... 86,193,296.87

The forty-eighth annual report shows a gain in the amount of insurance in force; that assets were increased nearly $1,000,000, and that over $300,000 was paid to policyholders in dividends.

Insurance Co. of North America,

232 WALNUT STREET, PHILADELPHIA.
FOUNDED 1792.

Assets, January 1, 1907		$10,748,864
LIABILITIES—Reserved for Reinsurance and all other claims	$6,705,870	
Capital Stock	3,000,000	
Surplus over all Liabilities	1,042,994	$10,748,864

Agents in all the principal towns and cities.

CHARLES PLATT, President.
EUGENE L. ELLISON, Vice-President.
BENJAMIN RUSH, Second Vice-President
GREVILLE E. FRYER, Secretary and Treasurer.
T. HOUARD WRIGHT, Assistant Secretary
HENRY W. FARNUM, Marine Secretary.
JOHN O. PLATT, Assistant Secretary.
Offices in New York: Fire, 51 William St.; Marine, 63 Wall St.

SAMUEL GANS, President
LEOPOLD GANS, Vice-Pres. & Gen'l Mgr.

SAMUEL GANS CO.

186-188 WOOSTER ST., N. Y.
New York Chicago Atlanta

Renovators of Fire and Marine Salvages

Telephone: 580 Spring

Stocks handled at lowest percentage consistent with proper results, accompanied always with Cash Guarantee. Our methods fortify adjusters in advance of closing loss.
Always telegraph or telephone at our expense.
Expert advice cheerfully given.

EDWIN W. WILE, Resident Manager
Home Office: Chicago, 207-209 E. Madison St.

[FIRE]

German American Insurance Company New York

STATEMENT JANUARY 1, 1908

CAPITAL
$1,500,000
RESERVED FOR ALL OTHER LIABILITIES
7,592,685
NET SURPLUS
4,415,353
ASSETS
13,508,038

Mutual Life Policies

ARE EASIEST TO SELL

BECAUSE

Yearly dividends have been increased for the last three years, 1906-7-8, at a rate equaled by no other company.
Cash values guaranteed in the new life and endowment policies are equaled by few companies.
Attractive features have been added to standard policy forms.
Liberal terms offered producing agents under the 1908 contracts.

For information, address

GEORGE T. DEXTER
Second Vice-President
The Mutual Life Ins. Co. of New York
34 Nassau Street, New York, N. Y.

NOTICE

Insurance Losses and Claims for Damages amicably and satisfactorily Adjusted. Otherwise resisted, defended at Law or in Equity for Companies by

T. F. HANLON

ADJUSTER AND ATTORNEY

BALTIMORE, MD. CALVERT BLDG.
WASHINGTON, D. C. COLORADO BLDG.
(Address Washington. 'Phone: Main 7132).
Twenty-five years' experience Member Bar U. S. Supreme Court.
GO ANYWHERE. OPERATE ANYWHERE.

The Connecticut Mutual Life Insurance Company

Stands alone among the American companies of any note, in having repaid to its members, their beneficiaries and estates, in annuities, endowments, death claims, surrender values and dividends, more than it has received from them in premiums. These are the totals:

Received since organization—1846	$249,356,745.45
Repaid as above noted	253,641,382.54
Excess over amount received	4,284,637.09
Assets December 31, 1907	65,003,271.10
Surplus December 31, 1907	2,326,657.25
Insurance in force December 31, 1907	174,716,005.00

President, JOHN M. TAYLOR.

FIREMEN'S

Insurance Company of Newark, N. J.

ORGANIZED 1855

CAPITAL,	$1,000,000.00
ASSETS,	4,701,068.80
SURPLUS TO POLICYHOLDERS,	3,148,371.45

DANIEL H. DUNHAM, President CHARLES COLYER, Vice-President
A. H. HASSINGER, Secretary

WHITON & MERGES, Agents, . . 73 William Street, New York
LEWIS & FREAR, Agents, . . . 145 Montague Street, Brooklyn
H. W. BEALS, Suburban Agent, . 76 William Street, New York

1825. THE 1908.

Pennsylvania Fire Insurance Co.

OF PHILADELPHIA.

Cash Capital	$750,000.00
Reinsurance and all Liabilities	4,096,888.14
Surplus	1,615,283.97
Total January 1, 1908	$6,462,117.11

R. DALE BENSON, Pres. W. GARDNER CROWELL, Sec.
JOHN L. THOMSON, Vice-Pres. HAMPTON L. WARNER, Asst. Sec.
WM. J. DAWSON, Sec. Agency Dept.

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The Weekly Underwriter:

AN INSURANCE NEWSPAPER.

ESTABLISHED 1859.

VOL. LXXIX. NEW YORK, SATURDAY, OCTOBER 24, 1908. No. 17.

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Entered at the New York, N. Y., Post Office as second class matter.

CHARLES A. JENNEY, President and Treasurer. L. ALEXANDER MACK, Secretary.

THE principal life insurance companies of the United States are organized for their common welfare in the Association of Life Insurance Presidents. For the proper administration of its concerns executive officers of the highest capacity are indispensable. The association has in its manager, Mr. Robert Lynn Cox, a trained lawyer who is also a practical man of affairs, and therefore well fitted to take care of its business relations with the world. The announcement is made this week that an official has been provided for the association's technical work. Major John J. Brinkerhoff, who has been appointed actuary and accepted the position, is eminently competent for it by natural endowment and long experience. He has been better known to life insurance perhaps than any other public official, because he has been the actuary of the Illinois Insurance Department nearly thirty-five years, outliving officially almost all his contemporaries, and secretary and active executive of the National Convention of State Insurance Commissioners during the past twelve years. This has brought him in contact with companies and company officials, and given him an acquaintance with their actuarial qualities beyond most men. The association is now equipped to do effective work for American life insurance. A recent example is the admirable brief on the situation in Texas.

THE Mutual Life insurance company is to be much commended for its idea of an educational fund policy, which it now announces for sale for the first time. The plan provides for the means to educate a child from early youth to the end of a college term, if necessary, should the policyholder die too early to take care of the educational course personally. Although a man may leave enough life insurance to keep his family comfortable, a charge of $500 or $1,000 or more on his estate for a number of years for the tuition of a son or daughter away from home may be a burden on its income that he would rather prevent. What might be a small matter to him while living might not be so small to his widow. The Mutual Life relieves the situation with its new policy. As to the methods of payment, the article from the company's paper, which we reprint, furnishes this attractive information:

For this privilege -the privilege of feeling absolutely sure that his son's welfare, so far as his opportunity for an education is concerned—the man pays for the first year a premium which, when compared with that of other forms of insurance, is excessively low. The next year he pays less, and each successive year he pays a decreasing amount till the policy expires. The exact figures, which depend on the age of the parent and of the child, will be furnished by the agent. The policy may be for the benefit of a girl, the premium rate being the same as for a boy of the same age. By this new form of insurance the man is instantly relieved from worry as to danger of his cherished plans for the education of his boy miscarrying because of his death.

The thought of safeguarding the future education of an offspring is not new, but it is worth the while to call particular attention to this plan of giving it practical effect.

THE two leading candidates for Governor of New York were engaged in efforts this week to smoke one another out on a number of questions of public policy, among them that of life insurance legislation. The following is a report of the insurance part of the fencing bout:

Chanler—Was not your nomination in 1906 and your renomination in 1908 at the instance and dictation of President Roosevelt the reward for your action in omitting to compel a full disclosure when it appeared that Mr. Cortelyou, chairman of the Republican National Committee, had received large sums of the money of policyholders of life insurance companies?

Hughes—There is not a particle of truth in these suggestions.

Chanler—Why did you oppose some limitation upon the amount of salary which might be paid to presidents of life insurance companies, and why was there no limitation in the insurance law which you prepared?

Hughes—Because it was not thought wise to attempt to fix such details in the statute, but instead to provide limitations of total expenses and of first year expenses, which would insure economical management, while leaving proper freedom within these limits to the companies to manage their affairs.

Chanler—Is it not a fact that the effect of the insurance law prepared by you is to limit the compensation and salary of clerks, agents and minor employees generally in life insurance companies, while placing no limitation upon the extravagant sums paid to the higher officials of these companies?

Hughes—No. All expenses must be brought within the limits of total expenses and of first year expenses, respectively.

It will appear to the life insurance voter solicitous of information as to the Governor's latest feeling about relieving the strain upon "clerks, agents and minor employees generally" that he has learned the politician's art during the campaign of evading particulars with generalizations. He has probably heard of the agent vote. The Governor did put himself on record when he was less wary three weeks ago with this public statement regarding the agents' relief bill:

I vetoed the bill, passed at the last session, which would have modified restrictions upon expenditures, because it was not a conservative measure —such as it was well known I did not view with disfavor—but would have opened the door to extravagance and facilitated a return to old conditions.

THE feature of the life insurance report of the New York State Insurance Department which is of most interest is the exhibit of the decrease in new business in 1907 as compared with 1906. The decrease was 159,303 in number of policies issued and $241,496,308 in amount of insurance written. Earlier in the year we had in Superintendent Kelsey's preliminary report a still more startling revelation of the decline in new business, for

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then the comparison was with 1904, the year before the Inquisition, and it was shown that new business written in the former year amounted to $1,797,000,000 and in the latter year to $1,024,000,000, a falling off of $773,000,000 It is needless to add that the Inquisition and the restrictive legislation which followed it were responsible for the disastrous difference. A still more discomforting fact—for the people of the State in which the trouble making eruption occurred—was that the domestic companies were the greater sufferers, for they lost $692,000,000 in new insurance, while the other State companies lost $81,000,000. The discrimination is going on still, thanks mainly to our Governor, and the disparity appears in the report of last year's business. It moves a daily newspaper favorable to recent life insurance legislation to observe mournfully: "This is not as it used to be, nor as it is to be hoped it will be again when conditions are more normal. The New York companies used to do two-thirds of the business of the State, and now they do less than one-half. Other-State companies in 1907 did more than half the new business instead of the one-third which was their former proportion. It is clear that the companies of the State are insuring fewer of its own citizens, and are exporting less insurance than they used to sell to citizens of other States. The decrease in the insurance of New York residents is unfortunate from an insurance point of view, and the increase in the business of other-State companies is regrettable in so far as it is made at the apparent expense of New York companies, and at the loss of money which used to be attracted to New York." Another daily paper, the New York *Commercial*, justly lays bare the cause of the loss to life insurance when it says:

These figures are big and impressive. They bear out emphatically from an official source what the companies have for months past been asserting—that the operation and the effect of some of the New York "insurance reform" enactments have in a large measure paralyzed the business commonly and heretofore originated by the companies' superbly organized field forces. Restrictions on the cost of securing new business must inevitably reduce the volume of that business, and it is driving good men into other and more lucrative occupations every day. Some life insurance "reformers" may argue that the less new insurance written the better. But the hundreds of beneficiaries who are daily being made the recipients of the results of thrift and foresight cannot be made to believe that.

Facts and Opinions.

The controversy between the **United States Fidelity and Guaranty Company** of Baltimore and Actuary S. H. Wolfe, who conducted the "special survey" of the company for the Colorado Insurance Department, as to the accuracy of the report of the latter, was continued this week by the publication of communications from both parties. Mr. Wolfe in a letter to Insurance Commissioner Rittenhouse characterizes the previously published answer of the company to the commissioner as "a mass of glittering generalities, some of them based on absolute misstatement of fact and others by a deliberate course of false reasoning." Mr. Wolfe declares that the attempt of the company to make it appear that the examination by the Maryland department in June, 1908, contradicts the findings of the Colorado department is unwarranted, for the examination demonstrated unmistakably that "before the secretary bought from the company $821,198 of salvage assets for $200,000—this officer and ten directors having borrowed the money from four banks, agreeing to protect the banks against loss—the capital stock of the company was seriously impaired. All of the invectives which the company hurls cannot alter this undeniable fact, viz., that if the four banks and the ten directors and the secretary had not come to the company's relief on June 30, 1908, by paying into its treasury $200,000 for certain assets which apparently the Maryland Insurance Department would not pass or accept, the company's entire surplus would have been wiped out and inroads made upon its capital stock." Mr. Wolfe also takes up the matter of alleged alteration in the records whereby certain liabilities were evaded, and in concluding charges that the officers of the company attempted twice to employ him while he was preparing the report of his examination, which offer he indignantly refused. The reply of President Bland to the above statements contains this paragraph:

As we do not try out cases in the public press in advance of a hearing, we have no reply to make to Mr. Wolfe's letter at this time. If, however, the Honorable the Commissioner of Insurance of Colorado asks us to treat it as a reply to our answer heretofore filed with him we will make reply to the honorable commissioner and not through the public press, and in our reply every statement contained in Mr. Wolfe's letter will be fully answered and his mistatements laid bare. We think we have demonstrated our ability to reply satisfactorily to criticisms of this company's condition when officially made by a supervising power, but we refuse to be drawn into an insurance paper controversy by any employee of that supervising power.

President Bland also denies that an attempt was made to influence Mr. Wolfe improperly.

The position of **actuary of the Association of Life Insurance Presidents** has been filled by the appointment of Major John Jones Brinkerhoff, M. A., F. A. S., actuary of the Illinois Insurance Department for the past thirty-four years. Major Brinkerhoff tendered his resignation to the Illinois department a few days ago and will assume his new duties on November 15. He will devote all his time to his new position, his headquarters being at the association office, No. 1 Madison avenue, New York city. The position of actuary was created by the association at its last bi-monthly meeting, on October 2, and the executive committee authorized to fill the place. Major Brinkerhoff's appointment was announced by Robert Lynn Cox, general counsel and manager of the association, on Tuesday. Major Brinkerhoff is one of the most widely known insurance men in the country. He has been a member of the Actuarial Society of America since 1892. Aside from his long and prominent connection with the Illinois department and work as a consulting actuary for various other departments, he has been secretary of the National Convention of Insurance Commissioners for twelve years. He was born near Gettysburg, Pa., September 20, 1848, and was graduated from Pennsylvania College, Gettysburg, September 28, 1869. He then served for several years as clerk in the office of the State Auditor of Illinois. He studied law during that time, being graduated from the Law School of Union University in 1874, and was admitted to the bar in Illinois and in New York. He thereupon became connected with the Insurance Department of Illinois, and has been its actuary for many years. It was also announced by Mr. Cox that Hon. William J. Tully, of Corning, N. Y., had been retained by the executive committee to act as an attorney for the association during the coming year. Mr. Tully, who recently retired from the State Senate after a service of four years, was graduated from the New York Law School in 1892, and until recently practiced law in Corning, the firm name being Page, Tully & Ferris. Senator Tully was a member of the New York State Joint Legislative Insurance Investigating Committee in 1905, and later of the standing Committee on Insurance of the Senate. He was born in Corning and is thirty-eight years old.

The moot question whether the inmate of the Auburn prison, who was sentenced to five years from Cattaraugus County, is the **missing George A. Kimmel**, who dropped out of sight nearly ten years ago and for whom the New York Life has been searching for the greater part of that time,

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was again discussed in the public prints this week. The real Kimmel, who left home in August, 1898, was the cashier of the Farmers State Bank at Arkansas City, Ark., and not long before his disappearance took out life insurance amounting to $25,000 in the New York Life. Suit was brought against the company for the amount of the policy by the receiver of the bank of which Kimmel was once cashier. News reports have it that relatives of the missing cashier went to Auburn recently to identify the prisoner and that the prisoner recognized them, but that they repudiated him. A commission appointed by order of United States Judge Dyer, of St. Louis, sat all day at Auburn Thursday to take testimony in connection with the Kimmel case. Kimmel was received at Auburn last January, and previous to that time had served another term and been incarcerated in the Matteawan Asylum for the Insane, under the name of A. J. White. He claims that not until after his arrest for forgery in Cattaraugus County did his faculties return to him and cause him to realize his identiy. He told a horrible tale of kidnapping and persecution at the hands of his uncle, who he claimed brought about his disappearanec from his accustomed haunts. The story went on to show how Kimmel in breaking away from his captors several years ago received a blow which is believed to be responsible for his subsequent hazy mental condition. The New York Life has all along held that the man was not dead, but the original suit went against the company. An appeal was granted, however, and another trial ordered. The case has been hanging fire ever since.

Decision was reserved this week by Justice Bischoff in the Supreme Court of New York on the application of the **New York Life** to begin an action in interpleader against William A. De Long, trustee in bankruptcy of **Coster, Knapp & Co.** and Mrs. Helen Coster, widow of Charles Coster, whose suicide brought about the firm's bankruptcy. The policy for $100,000 was taken out by Coster two days before his suicide, which occurred on April 28. The question on the part of the New York Life is not as to payment of the policy, but as to whom the money shall be paid. Counsel for the company said that although it was clear that Coster took out the policy of insurance fully intending to commit suicide and thus rob the other policyholders of the insurance company of $100,000, because of the form of the policy, which made it incontestable, the company had been ready, willing and anxious to pay the money to the widow, Helen L. Coster, the beneficiary named in the policy. Counsel said that on the very day the company was about to sign the check in her favor William A. De Long, trustee in bankruptcy for Coster, Knapp & Co., served a notice upon the insurance company that he claimed the money due under the policy for the benefit of the creditors and for the firm.

The **German Union** of Baltimore, the control of which has passed into the hands of Dickson & Tweeddale, of New York, was sold, it is reported, at $15 a share, the par value of which is $10. The company has a capital stock of $2,000,000 and began business in January, 1907, being organized under Delaware laws by Herman Knollenberg, who was formerly secretary of the German American Fire of Baltimore. He became president of the company and S. M. Smith was secretary. At the close of 1907 assets of $345,435.75 and liabilities of $66,435.76 were reported. The net surplus was $79,082.68. The company has been licensed in Delaware, Illinois, Maryland, Massachusetts, New York, New Jersey, North Carolina, Pennsylvania, Virginia and West Virginia.

Some time ago the **local fire insurance companies of North Carolina,** which write 40 per cent. of the premiums in the State, resigned from the South Eastern Underwriters' Association rather than pay their full pro rata assessment of the expenses. An effort was made to get them back, but they refused to return unless they be given a compromise agreement, which would be unfair to the other members of the association, whose business is limited to a single State. The North Carolina companies are confident that the South Eastern Underwriters' Association will continue to maintain conditions for its own protection, even though 60 per cent. of the premiums is paying 100 per cent. of the expenses. The State companies are understood to favor a deposit law in order to prevent the coming into the State of more outside companies.

Complications in the **Epperson case at Nashville, Tenn.,** are increasing. The attorneys representing the insurance department state that the officers of the Tennessee local agents' association will be brought into the case, as they have reported the trouble to the grievance committee of the National Association. It is also reported that the Attorney General of the State threatens to file a bill in court to dissolve the Nashville Board of Fire Underwriters on the ground that it exists in violation of law, and to dissolve the Tennessee local agents' association, charging that it has meddled with affairs outside of its scope. Commissioner Folk is also reported to have addressed the various fire insurance companies operating in the State, inquiring as to their methods of making rates in Tennessee.

The grand nest of the Ancient and Honorable **Order of the Blue Goose** held its annual meeting at Chicago last week, and 400 members, representing nineteen ponds, were present. The following grand officers were elected: Most loyal grand gander, George C. Main, of Minneapolis; supervisor of the flock, Charles H. Pescay, New Orleans; grand wielder of the goose quill, C. H. Silkworth, Milwaukee; grand keeper of the golden goose egg, Charles M. Tobin, Syracuse, N. Y.; grand custodian of the goslings, T. H. Williams, Los Angeles; grand guardian of the nest, W. T. Benallack, Detroit; grand guards, E. S. Phelps, Iowa; C. L. Stockdell, Georgia; C. A. Keith, Illinois; C. F. Enderley, New Jersey; F. G. Snyder, Kentucky; J. R. Sullivan, Wisconsin.

The **Liberty Life** of New York announces that after an experience of less than a year with the New York standard policy it has been found possible to issue the same with guaranteed surrender values, beginning at the end of the second year, instead of the third, and at the same low non-participating rate as before. The company's policy also gives paid up insurance on limited payment life and endowment policies for full proportionate parts instead of fractions thereof. Premiums are also interchangeable, that is, each policy contains the figures for annual, semi-annual, quarterly and monthly premiums, and the insured is at liberty to change from one to another whenever it suits his convenience, without request to the company.

The **Insurance Society of New York** will hold its October dinner, the first meeting of the new season, on Tuesday, October 27. The dinner begins at 6 o'clock and the meeting at 7:30. William L. Beers, fire marshal for the boroughs of Brooklyn and Queens, will deliver a lecture on "Trailing the Firebugs," and the address will be illustrated by stereopticon slides. About thirty members of the society have joined the fire insurance class at the New York University School of Commerce, Accounts and Finance, following up the club offer made to members of the society, as previously announced. The society has recently elected thirty-three new members, and is in a prosperous condition.

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The Kentucky courts have decided that when a life insurance policy is contracted for in that State the **policy must be taken when delivered,** unless some evidence of fraud can be produced. Calvin Smoot, of Frankfort, applied for a policy in the Citizens Life, with a premium of $39.15. Before the policy was delivered he decided that it would not be convenient to take it, but offered to pay the agent a reasonable fee and the medical examiner's charge. Judge Polsgrove held that Smoot was insured as soon as his application was accepted, and that since he could have collected the insurance if he had died before the policy had reached him he should also be required to pay the premium.

The British fire insurance companies, which have been held responsible by the British Court of Appeals for claims arising out of the fire of January, 1907, which swept the business portion of **Kingston, Jamaica,** at the time of the great earthquake, have made an offer to the Kingston policyholders' committee to compromise all claims on a basis of 80 per cent. without adjustment. The committee, however, has refused to accept this offer, but has indicated its willingness to accept 85 per cent. in addition to 5 per cent. in payment of costs. The claims involve a sum exceeding $5,000,000. The final reply of the companies has not yet been received.

It is expected that the first rates made by the application of **the Dean schedule in Chicago** will be furnished to agents before the end of October. The Chicago Board of Underwriters has made exhaustive tests, the instructions to the classification committee having been to adopt that basis table which would best preserve the present average of rates. The basis adopted makes a reduction of 1 cent on buildings and an increase of 3 cents on stocks on the average of fifteen scattered blocks in the congested district on which it has already been applied, this "spread" between buildings and stocks being regarded as justified by the experience.

In 1901 the property of the Mine and Smelter Supply Company, at Salt Lake City, was destroyed by fire. The insurance was paid, but the companies have since learned that the supply company had **misrepresented** the quantities of powder, cartridges and other **explosives stored** in the building at the time of the fire, the amount being greatly in excess of the limit placed by law and of the understanding on which the policies were issued. In consequence eight companies which had paid $59,578 have sued to recover the amount. Of these the Royal had paid $17,497 and the Commercial Union and Imperial $9,995 each.

The next regular meeting of the **Life Underwriters' Association of New York** will be held on October 27 at 6:45 p. m. at Café Martin, Broadway and Twenty-sixth street. A banquet will be tendered to Charles Jerome Edwards, who has again been elected president of the National Association of Life Underwriters. The following will speak: Mr. Edwards, George H. Gaston, of the Metropolitan Life; William Tolman, of the Berkshire Life; John R. Reid, of the Sun Life; William A. Waite, of the Phœnix Mutual Life; Frank E. McMullen and Eli D. Weeks, treasurer of the National Association.

The Ohio fire marshal is issuing forty brief statements on various features of **fire protection and fire hazards** under a recent requirement of the State Legislature. The law provides that the teachers in the primary and grammar schools are to read one of these each week to their pupils, the statements for primary schools being prepared in simpler language than for the higher grades. These lectures deal with the ordinary fire hazards and methods of protecting life and property, and should be of material value in educating the younger generation to be careful.

The Kentucky Court of Appeals on Saturday reversed the decision against the Sun of London in the Stegar **suit growing out of the night rider riots** at Princeton, Ky. The company held that it was not liable under the riot clause in the policy, but the plaintiff claimed an agreement to compromise at 90 per cent. and sued under this alleged agreement and not the loss. The lower court found for the plaintiff, refusing to admit the contrary affidavits of the company officers, although they arrived before the case was concluded. This finding has now been reversed.

The **Actuarial Society of America** held its second day's session in the Prudential building in Newark on Friday of last week. Deliberations ended at noon and the members were conveyed in sixty automobiles to the Essex County Country Club in West Orange, where they were entertained at luncheon. Dr. Leslie B. Ward, first vice president of the Prudential, was present at the banquet. Other speakers were Oscar B. Ireland, Walter S. Nichols, Edward E. Rhodes, Thomas Bradshaw and Arthur Hunter.

In Virginia flourish a number of **negro fraternal insurance orders** with grandiloquent titles. One of these reported in the Virginia insurance report for 1908 is the "Helping Hand United Order of Brotherly Love," located at Lynchburg. The gross assessments received from members amounted to $508.50. The disbursements were $464.29, and among the items were president's salary, $175; death, sick and accident claims, $162.45; salaries of other officers and trustees, $45; traveling expenses of officers and trustees, $13.35; banquet, $3.39.

The third annual edition of **Best's Life Insurance Reports** has been published by the Best Reporting Company, 100 William street, New York. We have before commended this work for its comprehensiveness and completeness, and it contains much of valuable information about every life insurance company of whatever class that is not to be found in any other publication. Reports upon a large number of companies in process of organization are included. As a handy book for immediate referenec it is invaluable.

The examination of the **Mutual Savings Life of New York** by the New York State Insurance Department is still in progress. The office of the society is now in charge of F. M. Bosworth, who has been made assistant secretary. Mr. Bosworth is a former agent of the society and has recently been in the employ of the A. M. Best Company, whose head, Alfred M. Best, is chairman of the Mutual Savings board.

Heavy **sprinklered risk losses** are reported from the West for the past week. Two of the burned plants were lumber risks where the material outside became ignited and made such a hot fire that the sprinklers inside could do little. At the third loss, that of a milling company at Minneapolis, the fire started outside of the dust house and burned the outside and roof where the sprinklers could not be effective.

At the quarterly meeting of the trustees of the **Northwestern Mutual Life insurance company,** held at Milwaukee on Wednesday, James W. Skinner was promoted from second to first vice president and P. R. Sanborn was promoted from third to second vice president, the third vice presidency being abolished. William N. Fitzgerald, of Milwaukee, was elected a trustee, succeeding Charles G. Stark, deceased.

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A meeting of the organizers of the proposed **Insurance Institute** of Hartford was held on Thursday, and was addressed by P. C. H. Papps, formerly president of the Insurance Institute of Toronto. The organization committee is composed of the following: L. N. Denniston, J. V. Fothergill, B. D. Flynn, A. G. Hinckley, J. H. Jarman, C. F. Johnston, A. D. Risteen and E. J. Sloan.

In consequence of numerous complaints made to the **Kentucky** Insurance Department of unfair treatment by **fraternal orders,** Insurance Commissioner Bell will ask the next Legislature to put the fraternals under the supervision of the department. At present they're not required to make any kind of report to any State officer. The better class of fraternals strongly favor the proposition.

The **Northwestern Mutual Life insurance company** announces that its dividends in 1909 will be on the same scale as the computations of 1908. The rate of interest to be used for 1909 in computing dividends under options in which a further amount is paid in addition to the guaranteed 3 per cent. will be 1.3 per cent., an increase of 1-10 of 1 per cent.

The Fire Insurance Club of Chicago is preparing for a series of **lectures** this winter **on the analytic system of rating,** the first to be given November 24 by H. M. Hess, of the governing committee on "The Philosophy of the System." "Methods of Operation" will be considered in two lectures, January 26 and February 23.

The impairment in the capital of the **Ohio German of Toledo,** amounting to $53,000 on August 31, has been made good, and the stockholders have paid in $25,000, bringing that fund up to $26,423. According to the secretary of the company, there will be a net surplus of $50,000 by the end of the year.

Shoot the incendiaries is the order given by the mayor of Baker City, Ore., in the following public proclamation:

To the People of Baker City—Believing that the many recent fires are of incendiary origin, any and all such officers and good citizens are hereby instructed to shoot on the spot any person caught setting fire to any building. The property of this city must and shall be protected.

Numerous complaints come from **Wisconsin** agents of the **new rates on lumber** made by the application of the new analytical schedule. At Wausau the board has refused to accept the new rates, and is maintaining the old tariff on all city business.

The following officers have been elected for the **Wisconsin Field Men's Club:** President, E. A. Rademacher, Home; vice president, H. O. Benedict, Phenix; secretary, R. B. Ellis, Aachen & Munich; treasurer, L. S. Wallace, Pennsylvania.

The **Colonial Life of St. Louis** is being organized in that city by Joseph McCoy, former secretary of the Republican State Committee. The capital will be $500,000, of which $200,000 will be paid in cash and the balance in notes.

The **Seddon Underwriting Company,** of 84 William street, has been appointed surplus line agents for the British General insurance company of London and the Property insurance company of the same place.

The **Federal Union insurance company** of Chicago has been admitted to Michigan, with Edward S. Kelley, of St. Joseph, its attorney for service in that State. The company has applied for admission to Indiana.

The **Home Fire** of Phœnix, Ariz., has discontiued business, being driven to the wall, it claims, by reason of too many fraudulent loss claims and losses through dishonest brokers.

It is announced that J. B. F. Davis, president of the San Francisco Board of Brokers, has a half interest in the **Lumbermen's Indemnity Exchange** of Seattle.

The National Life of the U. S. A. has been **admitted to Kentucky,** following an examination of the company made by Insurance Commissioner Bell.

The **Jameson & Frelinghuysen** office is writing surplus lines for the Pilot insurance company of London and the Provincial of Bolton, England.

The **Scrugham trial** appears to have been postponed.

Personal.

AGENCY APPOINTMENTS.

American of Newark: C. A. Merritt, State agent for Minnesota.

Federal Union of Chicago: George W. Neare, Gibbs & Co., sole agents at Cincinnati; J. H. Brock, sole agent at Columbus, Ohio.

Liverpool and London and Globe: Whitner, Maury & Co., agents at Atlanta, Ga., succeeding Haas & McIntyre.

People's National Fire of Philadelphia: I. Reinhardt & Son, general agents for the State of Texas.

Shawnee Fire of Topeka: B. F. Collins, of Kansas City (formerly of the Royal), special agent.

Sovereign Fire of Canada: Sikking Brothers & Co., St. Louis, Mo.; Callender & Co., Peoria, Ill.

Mr. George E. Kendall, former United States manager at Hartford of the National of Ireland, died at Rochester, N. Y., last Tuesday, aged sixty years. He entered the insurance business in 1869 in Worcester, Mass., becoming in time secretary of the First National Fire of that city. Subsequently he was for ten years general agent for New England of the Guardian of London, and then from 1895 to 1899 secretary of the New Hampshire Fire of Manchester. Since the withdrawal of the Irish company from the United States Mr. Kendall has been in business as an adjuster.

Mr. Robert Coleman Drayton, who has been a trustee and a member of the finance committee of the Penn Mutual Life of Philadelphia since 1896, has been elected financial vice president of the company, and will begin his new duties on January 1. Since 1893 he has been a member of the Philadelphia banking firm of Toland Brothers & Co.

Ex-Speaker Ekern, of Wisconsin, who was defeated in the Republican primaries for re-election to the State Legislature, has come out as an independent candidate on the indorsement of a large number of the voters of his district. Ekern claims that he was defeated for the regular nomination by "insurance money."

Mr. Henry L. Rosenfeld, insurance assistant to President Paul Morton, of the Equitable Life Assurance Society, will visit San Francisco November 16 to hold a meeting of the society's general agents from several of the Western States. He will be accompanied by Chief Medical Director Wills and Auditor Leon Scott.

Mr. Edward C. Harding, of Cincinnati, an agent for several fire and casualty companies, against whom charges of embezzlement have been made for misuse of funds, has been indicted by the grand jury for the embezzlement of $783 from the United States Casualty of New York.

Mr. William N. Sweeney, special agent of the Glens Falls for Maryland, Delaware and eastern Virginia, shot and killed himself in his office in Boston on October 18, being discouraged because of poor health and financial troubles.

Mr. W. Y. Foster, Jr., of Hope, Ark., has been appointed to succeed State Agent Sweazea, of the Springfield Fire and Marine in Arkansas, as the latter has been compelled to retire because of ill health.

Major Homer G. Gilmore, one of the most prominent fire insurance agents of Worcester, Mass., died on Wednesday of last week in that city. He was president of the Worcester local board three years.

Judge Henry L. Palmer, former president of the Northwestern Mutual Life of Milwaukee, now chairman of the executive committee, celebrated his ninetieth birthday anniversary this week.

Messrs. C. M. Logue & Brother, of Pittsburgh, who control a number of trust lines, are preparing to establish a branch office in New York city for the better handling of their outside interests.

Mr. John L. Misner, special agent for the Shawnee Fire of Topeka, died at Denver October 15. He came to Colorado from Oklahoma only a short time before his death.

General Manager C. Roger Owen, of the Commercial Union of London, sailed this week for home after a business trip to this country.

Mr. L. Walter Sammis has taken the position of assistant manager in the Chicago office of the Columbian National Life of Boston.

Mr. John P. Kieffer, a veteran agent of Waterloo, Ia., died there October 10.

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Casualty and Surety Insurance.

Unusual accidents of the week are as follows: A youthful rabbit hunter was instantly killed by the accidental discharge of his gun. The load of shot tore a gaping hole in his breast.

An explosion of nitro-glycerine in an explosives factory caused the death of two employees and two boys who were walking to the factory to meet their father, who was one of those killed.

An amateur baseball player who had a finger of his left hand broken during a game is suffering from a bad case of blood poisoning.

While picking up coal on the railroad tracks during a fog, a man, sixty-five years old, was struck by a fast train, but had only a few bones broken.

The four year old son of a saloon proprietor fell from the third story window and struck a cellar door leading to the basement, then bounced off and landed safely on his feet.

A dynamite cap placed between the rollers of a cider press caused an explosion which injured severely two men who were nearly smothered in the flying pumice.

While playing ball with a married men's team against a single men's aggregation, a benedict was struck in the head by a foul ball and was severely enough gashed to have a doctor take several stitches in the wound.

While lying sick in bed, a woman was badly burned by the explosion of a kerosene lamp which sent a shower of oil all over her.

While playing moonshiners at their home, a six year old boy shot his brother, two years older.

A patternmaker, who had already lost three fingers of his left hand and two on his right in a planing machine, last week lost another finger by a chisel slipping.

An eight year old boy dodged a train on a trestle and fell 25 feet to the ground, sustaining fatal injuries.

Overcome with the thought that an insane asylum nearby was on fire, an aged woman fell dead from heart failure.

A boiler explosion in the basement of a Roman Catholic parish house in New York city caused the death of the janitor, who was badly mutilated and scalded.

While playing football with some other boys, a Norristown, Pa., lad fell upon a rusty can and cut his wrist to the bone.

While helping neighbors to fight a forest fire, which was creeping near her home, a woman's dress caught fire and she was burned to death.

As a result of taking a headache powder, a New York man died in a few hours from poisoning.

A duck hunter, accompanied by his wife, lost his life in trying to save from drowning his betterhalf, who had waded out over her head.

Unable to move or scream, a woman who was totally paralyzed, nearly died from gas poisoning when the rubber tubing of the gas stove became loose.

While feeding a bull on his place, a farmer was badly gored by the infuriated animal.

As a result of being drenched by a bucketful of water, which hit him by mistake, a Chicago man nearly died from pneumonia. He is now suing the woman who could not throw straight.

Two workmen were killed at Wheeling, W. Va., by the caving in of a cofferdam they were constructing for the Government.

An explosion of dust in a grain elevator at Richford, Vt., caused the death of fifteen people.

While handling a revolver he thought to be empty, a man shot his woman cousin in the head.

The bite of a dog received four months ago caused the death of a man from hydrophobia.

In connection with the meeting of the **special fidelity and surety committee** of the National Convention of **Insurance Commissioners,** at the Manhattan Hotel, New York, November 9 next, Chairman Rittenhouse has sent the following notice to all companies doing a fidelity and casualty business in the United States:

This special fidelity and surety committee will meet at the Manhattan Hotel at 10 a. m., November 9, 1908, and will have daily sessions during the entire week if necessary, to conclude the work assigned for this meeting. It is the intention to make as thorough and careful an investigation as possible into the subjects named, and in order to arrive at correct conclusions the committee is very anxious to have the benefit of the experience of the fidelity and surety companies, and also the benefit of the knowledge gained by those who have studied the subjects under consideration. The committee, therefore, invites each company doing a fidelity or surety business in the United States to present information, statistical or otherwise, and any suggestions or arguments that may be of assistance to the committee in formulating its recommendations. Companies are requested to present these statistics, etc., in written or printed pamphlet form, dealing with each subject in a separate paper, and to furnish a sufficient number of copies to supply each member of the committee. Each company is also invited to send a representative to the committee meeting, to present its suggestions orally, if it desires to do so. It is the desire of the committee to give every company as much time as possible to be heard, but the time to be allotted each representative will, of course, be governed largely by the number desiring to speak. It is hoped that the first five topicss in the order given below can be discussed at the November meeting, and companies are invited to prepare their papers accordingly:

Topic 1. Should the present minimum capital permitted by law be increased?

Topic 2. Should the present method of arriving at premium reserves be abandoned and a plan to reserve so much per thousand dollars of contract liability, graded as to class of contract, be substituted? (Those wishing to discuss adequate rates, Topic 10, can do so in connection with this topic.)

Topic 3. Should reserves be maintained on expired bonds upon which claims may be made, and how shall such reserve be determined?

Topic 4. What, if any, additional restrictions should be placed upon investments to improve the character of assets?

Topic 5. Suggestions for improvement of methods of determining loss reserve.

Topic 6. Salvage; Topic 7, indemnity collateral; Topic 8, special deposits; Topic 9, agreements of indemnity holding reinsurers harmless, will be discussed at a future meeting; Topic 10, adequate rates, will be discussed in connection with No. 2 at the November meeting. The assistance of the companies will be very much appreciated.

Having received an opinion from the Supreme Court judges of Mississippi declaring the **legality** of the Mississippi State Treasurer accepting **corporate surety bonds** for the protection of State deposits, Governor Noel, of **Mississippi,** has written a forceful letter to State Treasurer Edwards, enclosing the opinion of the judges of the Supreme Court and showing the falsity of his position in refusing to accept such classes of bonds. The Governor claims that the State Treasurer's refusal to be governed by the law conferring these rights and duties lessened the number of State depositories and the rate of interest to which the State is entitled, to some extent. The Governor reminds the State Treasurer that his refusal to be governed by the law makes him subject to removal. The integrity of the corporate surety bond is ably championed in the following words from the Governor's letter:

Surety bonds in our State are neither new, untried nor discredited, being a legally sufficient, fully tested and legally approved guarantee for safe accounting of public and private funds. Section 2669 of our code authorizes their use in all cases in which bonds are required of "any person, officer or corporation." Not a default thus secured, so far as I know, has proved uncollectible in full. It was the only legal security the State had for its funds during the term of your predecessor. No uneasiness need be felt for any State funds thus secured.

What President F. C. Russ, of the Robert N. Bassett Manufacturing Company, of Shelton, Conn., characterizes as purely a good business step, viz., **paying all doctor's bills for** the 700 odd **employees** of his plant, whether accident or injury occurs while at the works or elsewhere, is a move along ideal lines from the standpoint of employers' liability legislation. The fact that several other large Connecticut manufacturing

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concerns are likely to follow the Bassett Company's lead in this matter makes the announcement all the more interesting. In another way it is food for thought, as there are good chances of some sort of an employers' liability law being introduced in the Connecticut Legislature this winter as a result of the work of a commission appointed by the Legislature about two years ago, to investigate matters pertaining to the employers' liability question. President Russ is quoted as follows in regard to the decision of his company:

"It is a pure business proposition and not a piece of philanthropy," explained President Russ. "If our employees are relieved of worry and don't have to think about possible medical contingencies, we believe they will do better work. As far as we are concerned, a man may now break his arm in our shop or lay himself liable to typhoid outside with impunity. We'll see him through. It will increase our factory efficiency."

There are no limits to the perseverance of the broker who wants to place accident insurance. One came into the office of this paper a few days ago and wanted assistance in placing the **superintendent of a firecracker factory** under the protection of an **accident policy.** The prospect apparently was desirable in every way, except that his occupation was a "trifle" hazardous. The broker had been around to about eight offices, which had turned down the application, and he wanted to know of some more offices. He was given a still larger list which he had not yet tackled, and went on his way rejoicing. We are now waiting to read about the blowing up of the aforesaid factory, and the collection of the accident claim, for someone will surely take the risk if the premium is large enough. That reminds us that we forgot to give that broker the name of London Lloyds.

The **increase of thefts in New York city** is shown according to figures of burglary and larceny losses compiled by Edwin B. Quackenbush, executive agent of the Ocean Accident. The claim is made that burglary and larceny crimes in this city total more than 35,000 annually, and the property loss is $15,876,000. The annual number of arrests is only 1,764, while the number of convictions is but 420. The fact to be deplored is that under the present police system only 7 per cent. of jewelry stolen is recovered. Mr. Quackenbush states that the burglary and larceny cases this year will exceed 50,000 in number.

The United States Geological Survey has issued a bulletin this week regarding the **prevention of mine explosions.** Among the recommendations is one that the United States Government shall examine the explosives now and hereafter used in mining. It is also recommended that all explosives be made into cartridges and placed in closed receptacles before being carried into the mine. The report is the result of the work of three foreign experts, who were invited to cooperate with the Government along prevention lines, and who have been investigating conditions for the past six weeks.

Announcement has been made that O. L. Van Laningham, the former president of the Great Western Life, is to be associated with Robert B. Armstrong in the organization of the **Consolidated Casualty** of Philadelphia, now getting ready to begin business about the first of the year. Mr. Van Laningham will take charge of the sale of the stock in the West. Ira T. Manning, a New York lawyer; George T. Parker, a Washington surety man, and C. B. Squire, a fire insurance broker of New York, are also interested in the organization of the company.

Several weeks ago the **National Surety** began to attach to its **bank burglary policies** a rider protecting the bank where an employee or bank officer was compelled to open the safe for the robbers by threats of violence or force. This feature has now been incorporated in the new policy issued by the company, which contains several original features and also eliminates warranties. It was the discussion of losses of this character that prompted the recent movement on the part of the American Bankers' Association to require a standard form of burglary policy.

The **general agents' convention of the National Surety,** which was held in New York city on Monday and Tuesday of this week at the home offices, was highly successful in every way, and about seventy-five agents of the company were on hand to share in the business deliberations and enjoy the social features. There were addresses by several officers of the company. The trip of all hands to the Hippodrome on Monday evening was a pleasant feature of the convention.

The **Portland Casualty Company** of Portland, Me., a company which has been organized on the assessment basis, has received its certificate of incorporation, and has made a deposit of $500 with the State Treasurer of Maine in compliance with the law. The officers of the company are as follows: President, C. G. Keene; vice president and general manager, O. J. Brooks; secretary, C. M. Mitchell; treasurer, John R. Gray.

The fidelity **bonds** of the 5,000 **employees** of **Armour & Co.,** the Chicago packers, will be written in the National Surety according to a five year contract entered into recently. Between $8,000,000 and $10,000,000 is involved in the contract, which provides for covering all the company's employees in the United States at a rate believed to be about 25 cents.

According to our Chicago correspondent the **rates** have been reduced on several varieties of **court bonds** from the figures established September 1. Fiduciary, administrators', guardians' and conservators' bonds and the like are affected, the new rate being $3 per thousand as against $4 originally. A minimum of $5 for small bonds is fixed.

A controlling interest in the Washington Title insurance company and the District Title insurance company, both of Washington, D. C., has been acquired by the **Lawyers' Title and Guaranty Company** of the capitol city. The three companies will be consolidated and made part of a $1,000,000 title, loan and mortgage company.

At the meeting of the executive committee of the **International Association of Accident Underwriters,** held at the Hotel Astor on Wednesday, it was decided to hold the next annual convention of that body at the Clifton House, Niagara Falls, Canadian side, on July 13, 14, 15, 16, 1909.

A special **baseball players' accident policy** has been issued by the German Commercial Accident of Philadelphia. The death benefit is $1,000, covering all accidents with a weekly indemnity of $15. The amounts are doubled under the travel accident clause. The premium is $60.

That **casualty companies** must report all classes of business separately is the dictum of the Massachusetts Insurance Department in connection with the reports for the year 1908.

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A separation must be made of automobile, flywheel and workmen's collective insurance business.

The **North American Accident** of Chicago has asked the Illinois Insurance Department to make a complete examination of the company.

The **Illinois Surety** of Chicago has been given the fidelity schedule of the Chicago telephone company.

Insurance Legislation.

Complete copies of all important bills in the legislatures affecting insurance are on file in the office of THE WEEKLY UNDERWRITER.

Vermont.

MONTPELIER, October 19.—The Legislature has convened for the 1908 session. The only bill introduced so far affecting insurance is one by Senator Butler giving the Insurance Commissioner power over the mortuary funds of live stock insurance companies.

The following are the insurance committees of the two houses:

Senate—Messrs. Vance, of Essex; Scott, of Rutland, and Corry, of Washington.

House—Messrs. Martin, of Brookline; Kinsley, of Rutland; Lewis, of Troy; Lyford, of Warren, and Stannard, of West Haven.

Official Reports.

New York Life Insurance Report.

In the early part of April the Insurance Superintendent issued a preliminary report in which the subject of life insurance was treated generally. In the present detailed report he explains that the delay in its completion and publication has been caused by the belated appropriation by the Legislature for the expense of establishing the new bureau of audit in the department. The Superintendent says:

Appointments under the law were made from the eligible list provided by the State Civil Service Commission through competitive examinations. At the earliest possible date the bureau of audit was organized and equipped, but its beginning was at nearly the end of June, four months after the time originally contemplated by the department. This bureau is now in charge of the auditor and assistant actuary, the appointee selected being peculiarly well equipped by reason of department experience in another State, and by scientific training for this important position. The work has been planned and progressed with unremitting effort, and by this published volume discloses the result of a thorough examination of all items entering into the extended statements now required to show the financial condition of life insurance companies doing business in New York State.

The following are extracts from the report:

In the policy record for 1907 industrial business is not included. The New York State companies issued 287,030 policies, insuring $446,389,398, and terminated 274,789 policies, insuring $539,124,580. The companies of other States issued 279,384 policies, insuring $568,534,766, and terminated 168,590 policies, insuring $323,405,179. The aggregate of the above is 566,414 policies issued, insuring $1,014,924,164, and 443,379 policies terminated, insuring $862,529,759. Compared with 1906, it appears that the companies issued 159,303 policies less last year, and the amount of insurance written decreased $241,496,308. There were 131,562 less policies terminated in 1907 than in 1906, and $229,144,828 less insurance.

The terminated policies are scheduled as follows:

	Number.	Amount.
Deaths	53,167	$127,187,209
Maturity	14,274	32,066,455
Expiry	64,448	123,661,460
Surrender	99,554	211,008,495
Lapse	210,565	307,639,953
Change	1,371	60,966,187
Totals	443,379	$862,529,759

The following is an abstract of the statements as tabulated rendered by the life insurance companies for the year 1907, compared with similar statements for 1906. The industrial business is not included:

	1906.	1907.
Number	43	37
Assets	$2,851,910,924	$2,917,908,918
Reserve	2,415,570,885	2,543,764,774
Other liabilities	210,086,186	228,152,943
Total liabilities	$2,625,657,071	$2,771,917,717
*Surplus to policyholders	$226,253,853	$145,991,201
Capital stock	13,340,500	10,389,000
Premiums received	$449,308,867	$485,632,856
Other receipts	138,560,809	143,996,788
Total income	$637,869,676	$629,629,644
Claims paid	$183,741,373	$192,796,654
Dividends to policyholders	39,782,314	45,106,923
Paid for forfeited policies	55,184,901	55,430,067
Supplementary con	1,454,942	1,688,253
Expenses	127,654,233	125,466,276
Dividends to stockholders	830,196	741,585
Disbursements	$408,647,959	$421,229,758
†Policies	5,396,449	5,324,517
†Insurance	$10,613,333,644	$10,404,726,638

* Includes special funds. † Paid for basis.

Industrial business is reported as follows:

1906—Policies in force, 16,799,729; amount insured, $2,341,849,957.

1907—Policies in force, 17,696,993; amount insured, $2,447,865,187.

Miscellany.

Organization of the Liability Insurance Association.

A permanent organization of the Liability Insurance Association, which was formed a year ago this month by representatives of several of the liability insurance companies, was effected at the meeting on Wednesday at the Hotel Astor, New York city. A constitution and bylaws were adopted, and the representatives of eighteen companies writing liability insurance signified the intention of their respective companies to affiliate.

The meeting was called to order by Chairman W. G. Cowles, of the Travelers of Hartford, while Secretary F. H. Kingsbury, of the Pennsylvania Casualty, acted as secretary. According to the constitution the objects and purposes of the association are "to promote good will, harmony, confidence and co-operation between the companies and to devise and give effect to measures for the protection of their common interests, and for the observance of the amenities that should exist between companies and associations." Besides a president, vice president and secretary-treasurer, which officers are elected annually, four members are elected to serve with the above officers to form an executive committee of seven. Four shall constitute a quorum.

According to the bylaws, the annual meeting shall be held on the third Wednesday in October each year, and a semi-annual meeting on the third Wednesday in April of each year in New York city unless the association or executive committee decides on some other place after due notice has been given. Six members will constitute a quorum of the association. The executive committee is authorized in the bylaws to exercise all necessary powers to promote the purposes of the association and is to consider all measures proposed for the common welfare, and en-

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deavor to secure the adoption by the members of the association of all such measures as shall in its judgment be valuable or practicable. An entrance fee of $10 was suggested, with annual dues of $10, and whatever expenses of the association are not covered by the entrance fees and dues will be borne by the several companies in proportion to the amount of net premiums received in the United States on liability business.

A nominating committee consisting of Messrs. Moore, Bro Smith, Faxon, Lott and Stone was appointed, which reported the following nominations for officers and executive committee, and the nominees were duly elected: President, Walter C. Faxon, Ætna Life; vice president, William M. Tomlins, Empire State Surety; secretary-treasurer, F. H. Kingsbury, Pennsylvania Casualty. Executive committee, John T. Stone, Maryland Casualty, chairman; Franklin J. Moore, General Accident; Theodore E. Gaty, Fidelity and Casualty; Walter G. Cowles, Travelers.

Mr. Cowles, in discussing the impending crisis in the liability business, called attention to the untruthful reports printed in various publications relating to liability insurance, and stated that the recent writer in *Everybody's* and also Labor Commissioner Peck, of Wisconsin, were misinformed.

It was voted to communicate with all companies that are not at present affiliated with the association, asking their aid. Mr. Stone said he thought that some steps should be taken by the companies in reference to undesirable risks and accordingly made a motion, which was adopted, that the executive committee be instructed to consider the advisability of formulating some method of exchanging information regarding undesirable risks. The meeting then adjourned and a meeting of the executive committee was held.

The following companies were represented at the meeting and announced that their companies would become members of the association: Ætna Life, Travelers, Ocean, United States Casualty, General Accident, Maryland Casualty, Fidelity and Casualty, Norwich and London Accident, Frankfort Accident, Pennsylvania Casualty, London Guarantee, New Amsterdam Casualty, Empire State Surety, Employers' Indemnity, Pacific Coast Casualty, National Fidelity and Casualty, Ætna Accident and Liability, Philadelphia Casualty.

Fifth Annual Meeting of the Board of Casualty and Surety Underwriters.

The fifth annual meeting of the Board of Casualty and Surety Underwriters was held in the college room of the Hotel Astor, New York, on Tuesday, beginning at 10 o'clock. Of the thirty-seven companies comprising the board thirty-five were represented at the meeting.

ADDRESS OF PRESIDENT DUNHAM.

The president of the board, Sylvester C. Dunham, president of the Travelers insurance company, addressed the meeting. After discussing New York State life insurance legislation, which, because it extends the restrictions which it places on its own companies to those of other States doing business in the State, has provoked retaliatory legislation in other States, and after commenting upon the unnecessarily cumbersome exactions of laws instituted to enforce publicity, Mr. Durham said:

Insurance is commonly regarded as an instrumentality for the distribution of losses. The premium is the contribution of each to the aggregate loss or misfortune. It is proper and timely at such assemblies as this to direct attention to the increasing—and possibly by this time the greater—usefulness of insurance as an agency for the prevention of loss, waste and misfortune. It is not now the practice in any line of insurance, as it may have been once in some, simply to receive premiums and pay losses without much regard to the circumstances of the subject of the insurance. The modern and the better way is to exercise the most critical inspection and selection and to accept no man or property or obligation as fit for insurance unless and until a fixed standard of health, safety or responsibility is shown. It is by the consistent pursuit of such a policy that the companies have been able gradually but surely to reduce the cost of insurance, and to make the terms of their contracts more liberal.

Insurance companies have always selected their risks with care, insisting that they would deal with no other than honest and responsible men, but the systematic examination of risks for the purpose of requiring active compliance with conditions that would prevent loss is a comparatively recent practice. It was inaugurated as a material element of the business by the late Jeremiah M. Allen, of Hartford, the founder and for many years the president of the Hartford Steam Boiler Inspection and Insurance Company. That the principles upon which that company was established were laid deep in its foundations is well shown by the fact that "inspection" was placed in its corporate name before "insurance." The early discouragements and ultimate success of his enterprise are so well known that they need not be here reviewed. The fundamental principle of thorough

INSPECTION AND SELECTION

based thereon has unquestionably prevented the loss of millions of dollars and hundreds of lives, because before the boilers Mr. Allen insured could be accepted they must be put in such conditions that with proper use they would not explode.

The same principle was extended by the late Edward Atkinson into factory mutual fire insurance, and later his plans were adopted by the stock fire insurance companies, so that factories, warehouses, storehouses, theatres and other large buildings are now uniformly equipped with automatic sprinklers as a condition to obtaining favorable terms for insurance.

Life companies have always selected men in robust health, and in doing so they have made an important contribution to the prevention of illness and its consequences, as they more abundantly do now by the greater thoroughness of their investigations. No one knows how many thousand men have been examined for insurance, and have thus received the first intimation of a present or probable physical impairment, which it is not too late to remedy by immediate treatment. Disorders that may have been suspected are sometimes brought to one's attention in that way with a rude shock, and that is the best and often the only way to point out to a man his duty to himself and to others.

Investigations made for the purpose of placing accident insurance often disclose man traps that may be and are abolished upon the suggestion of the trained underwriter and the trained inspector, who have learned from wide observation how accidents are caused and how they may be prevented.

Before surety can be given for the faithful performance of duty or the execution of a contract the conduct and circumstances of the candidate are investigated, and if danger exists it is detected and brought to the attention of the employer in time to prevent loss and perhaps crime.

The liability companies perform a similar and invaluable service to their clients and to the community by looking for and improving conditions that expose people to danger. The notices that have become a familiar feature of all passenger elevators, announcing that "this elevator is regularly inspected" by one of the companies here represented, are accepted by the public as a guarantee of safety. Inspections of factories, mines, wharves, theatres and other places where many congregate, of quarries, excavations and construction, are no less systematic and thorough, whereby defects and omissions that expose men to danger are daily discovered, pointed out and remedied. The people know that dangerous places are protected, and that safety devices are more and more employed, but few realize how much they are indebted to insurance companies for these improvements.

It appears, therefore, that insurance companies are quite in conformity with the spirit and practice of an age in which much attention is given to the reclamation of waste, the salvage of what under earlier and ruder processes was lost and to the prevention of disease, disorder and distress. I am not sure but that this service, in the benefit of which the whole public participates, is not in its protection of life and property, and in its influence upon the habits and conduct of the people of greater value than the $450,000,000 of compensation which insurance companies annually pay for pecuniary loss. To this may be added that

INSURANCE COMPANIES ARE PROMOTERS OF PEACE

as well as of economy and prosperity, for not one claim in 4,000 is contested. Nearly all claims except under life policies are for unascertained damages, upon the value of which the parties must agree or submit to judgment between them. The amount of controversy and litigation required to settle such questions is surprisingly small. Its insignificant volume shows that the companies are actuated by a spirit of fairness and even

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liberality, and almost invariably reach an acceptable understanding with the insured. And it need not be pointed out that the vast majority of the concessions necessary to that result are in favor of the insured, for nothing is more unwelcome to an insurance company than litigation and a litigious reputation.

It is inequitable that an element in modern civilization that promotes thrift, prudence, industry and uprightness should be disproportionately taxed. It is one of the most important offices of this organization to see that that injustice is fully understood, believing that patient effort must some time bring about a reform. You will have before you the report of your committee upon taxation, setting forth convincing statistics and arguments which should be widely published, and showing that the reform they advocate has the cordial support of the insurance superintendents and that encouraging progress has been made since our last meeting. Publicity has come to be recognized as an excellent remedy for most of the evils of misgovernment. Like all remedies it should be impartially administered. The widest publicity should be given at the same time to the same readers and in the same publication to what the State exacts from corporations, as well as to corporate conduct and misconduct.

DURING THE PAST YEAR

the difficulties that have attended the transactions of insurance companies in normal times have been vastly increased by the prevailing depression in business. Competition, which is always spirited in the lines conducted by the members of this board, naturally becomes more intense when there is less to compete for—the energies of the tax consumers are not relaxed when there is less to tax—confidence is unsettled—the hazard of the individual risk is aggravated by neglect, anxiety and sometimes by desperation; so that upon the whole insurance bears its full share in the misfortunes of the community when the industries of the country are prostrated. It is affected to its injury also in volume, because like the business of transportation and of banking it is an auxiliary to the productive industries, and when the scale of production is reduced more than 30 per cent., as it has been during the year, it would be strange if the insurance of interests dependent upon production should not show some decline also. The public will probably be surprised to find, when the insurance companies give an account of themselves at the end of the year, that the decline has not been greater, and that some companies notwithstanding adverse conditions report a material advance in all branches.

But such conditions are transitory because the progress of America and of the world must continue to be forward and upward. The outlook is toward the future and in fixing our attention in that direction the past is to be reviewed chiefly for the lessons furnished by its experiences. And the most superficial review of the history of America for the last century, increasing in population from 5,000,000 to 80,000,000, and producing incalculable material wealth and rising from an experiment to a world power, must convince one that properity has far outweighed adversity. Hard times are the occasional shadows upon the business landscape and prosperity and growth and improvement are natural, normal and persistent conditions. Those who take advantage of such times to prepare for the expansion that is sure to follow, to lay their plans for greater opportunities and greater usefulness, are those who reap the first benefit from the return of activity when it comes.

Chairman Seward, of the executive committee, announced the inability of Insurance Superintendent Kelsey, of New York, to be present because of pressure of department work. The chairman also stated that ex-Governor Warfield, of Maryland, president of the Fidelity and Deposit Company, had written that he could not attend, as had also William C. Maybury, managing director of the Standard Accident of Detroit.

Mr. Seward said that if there was no objection the address of the Hon. James V. Barry, Insurance Commissioner of Michigan, would be delivered at once. Mr. Seward spoke very enthusiastically of the obligations of the companies to Mr. Barry for his determined stand against hostile legislation.

COMMISSIONER BARRY ON THE BOARD AND ITS MISSION.

Insurance Commissioner Barry then read a paper on "The Board and Its Mission." After some pleasant introductory remarks he said:

The object and purpose of your organization, as I understand it, is to foster and promote the amenities of the business and to co-operate in working out the proper solution of those large and important problems which affect, directly or indirectly, all the companies and all classes of business affiliated, leaving the details of those matters which have to do only with a class of type of the affiliated interests to be handled and adjusted by those whom they particularly concern.

Being a firm believer in organization and in the effectiveness of organized effort, I have to commend your board and wish it success in all of its legitimate undertakings.

It has always been a cause for self congratulation that I am not one who sees a menace to the public in every organization made up of individuals or combinations of individuals engaged in similar lines of business. I can see a legitimate field of endeavor for organizations of this character, and know that when their activities are confined to this field they accomplish great good to that branch of the public which has business dealing with them.

This board has in the past wrought well and effectively along lines which materially improved conditions as they affect the insuring public and I have faith to believe that it will work out even better results in the years to come.

If your organization assumed to do nothing more than make it possible for its members to meet one another and mingle together sufficiently to become thoroughly acquainted and learn each other's predominating characteristics, mental trend and business methods and ideals, it would have sufficient reason for its existence and would be a power for good. * *

STRENGTH IN UNITED EFFORT.

The fact that there is strength in united effort has recently been demonstrated by the success of your organization in its opposition to certain proposed changes in the annual statement blanks which were under consideration by the committee on blanks of the National Convention of Insurance Commissioners. By uniting your forces you succeeded in preventing the incorporation in the blank of items which, in your view, would have entailed great labor upon certain of your companies and have destroyed the value of important statistics compiled from the experience of many years of operation.

This incident is mentioned merely by way of emphasizing what may be accomplished by intelligent co-operation, and suggesting the great benefit that will accrue to all concerned by intelligent and enthusiastic co-operation along the line of collating and combining the experience of the affiliated companies with a view to correcting and improving certain conditions which are, I believe, generally conceded to be chaotic and wholly unsatisfactory.

In this connection it may not be amiss to suggest that the surety and fidelity companies represented on this board can be of inestimable service to themselves, the insuring public and the great business in which they are engaged if they will heartily co-operate with the special surety and fidelity committee, so called, authorized by the National Convention of Insurance Commissioners at its recent meeting in Detroit, and subsequently appointed by President Crouse for the purpose of determining upon a remedy for existing unsatisfactory conditions.

Although I have been honored by being assigned to a place on this important committee, I have not yet had time to carefully consider the problems involved in the proposed study, but I am impressed with the belief that their successful solution necessarily calls for an accurate knowledge of the experience of the companies engaged in the several classes of business under consideration, and I know of no manner in which this knowledge can be acquired without the co-operation of the companies which alone are in possession of the desired and necessary information. It goes without saying, I think, that there must be

SOMETHING RADICALLY WRONG

in methods or systems which result in a majority of the companies transacting the lines of business within the scope of the authority of the special committee showing a net loss on the volume of business transacted since their incorporation. This is a condition in which no one takes pride, and which all are agreed must be overcome if the business is to survive.

You will pardon me I am sure if I pause right here to confess that my grasp of the business is not such as to enable me to understand all its intricacies, and I am, therefore, constrained to ask in all candor and sincerity what profiteth it a manager if he gains an unparalleled volume of business and lose for his company its entire capital and surplus?

Adequate but just rates, proper classification and ample reserves are the ends sought to be attained. They are so closely related that one is dependent upon the other, and none can be brought about save by united action based upon the experience of the companies as shown by their books. It is through the

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hearty and enthusiastic co-operation of the important body here assembled that this needed information can best be collected and compiled. A

RESERVE BASED UPON PREMIUM RECEIPTS

may be ample for the protection of the insured if the premium is ample, but it is submitted with the utmost confidence that with the widely varying premiums which have obtained on the same classes of business during recent years not much dependence can be placed upon the most important factor in the computation.

As against this method of computing surety reserves we have the plan of determining them on the basis of exposure, but the success and accuracy of this method is wholly dependent upon a uniform and intelligent classification such as, I understand, does not exist.

The interest of the companies and the insuring public as well in this matter lies in the imminent danger of some ill considered, inadequate or wholly unscientific and impracticable reserve basis being forced by legislative enactment if the companies do not co-operate with each other and with the supervising officials of the several States in working out along sane and scientific lines a reserve system which will be based upon just and adequate rates coupled with intelligent and comprehensive classification of risks. It is devoutly to be wished that the latter result may be speedily accomplished.

The power wielded by this board through the earnest co-operation of its constituent parts—a power to which reference was made a few moments ago—should carry with it the lesson of discretion and moderation. This power should be exerted wisely and only to accomplish results of great general importance. It should never be wielded in connection with petty issues, or to aid individual companies to accomplish results in which they alone are interested, and which will not have an important and beneficial bearing upon the business in general. The latter course will surely bring disintegration and defeat. It is my firm conviction that this

BOARD SHOULD BE THE PIONEER

to blaze the way to better conditions in all branches of the business. Through its members who are in constant touch with all the varying phases and numerous ramifications of the business it should be the first to see and appreciate the need for better methods and more scientific plans of operation.

Seeing and appreciating should be the signal for prompt and efficient action. The companies represented in this organization should not be forced by supervising officials or legislative enactments to adopt any reforms or make any changes in plans or methods which they know are necessary for the proper protection of themselves, their clients and the public.

They should lead the way to better conditions and improved methods of underwriting as rapidly as experience points out that way.

There is nothing but grief and woe in store for those who in defiance of what they know to be the rights of the insuring public upon whom they must depend for that which alone can sustain the business, still wait to be driven by legislative enactment or otherwise to make concessions and improvements which they know to be the public's due.

By way of illustrating what I have in mind, I may say that it was within the past few weeks discovered through an investigation made as the result of a casual examination of a bond that, almost without exception, the companies transacting this class of business in Michigan were writing for townships and school district treasurers of that State bonds which do not meet the expressed requirements of the Michigan statute. This statute makes the officials referred to the absolute insurers of all public funds which come into their hands. Yet the bonds for which these officials or their constituents were paying the companies the required premium specifically exempted the companies from liability incident to the failure of depositories.

Here were hundreds of officials throughout the State of Michigan who had filed bonds which failed to comply with the plain provisions of the statutes defining their liability, although they had paid their money for what they supposed were bonds drawn and executed in compliance with law.

The result of this investigation was the issuance, upon the advice and direction of the Attorney General, of instructions to every township and school board in the State to examine carefully every bond offered and accept none that does not fully cover every liability fixed by the statute.

What would be thought of a fire insurance company which issued to its clients policy contracts so drawn as to afford the property owner only partial protection, leaving him unprotected in vital particulars? And yet in this case we found most surety companies issuing bonds which did not cover the liability of the principal as fixed by the statute and consequently did not furnish the municipalities concerned the protection which it was universally supposed had been purchased for them.

It goes without saying that this experience did not add to the prestige of the companies in Michigan.

It is my contention that the companies should be foremost in establishing correct practices in this and all similar cases. They should thoroughly familiarize themselves with the statutes of the several States in which they transact business and be careful not to offer any bond or contract which does not cover the liability of the principal as fixed by the law of the State in which the bond or contract is offered.

Would it not be good policy, too, for all companies to thoroughly inspect every phase of all risks offered, and either decline to write the business if it does not meet with their approval; or, if the business is accepted, to exact a just premium that will be ample to insure prompt and unequivocal settlement in case of loss?

It is far better for a company to be given credit by the public for improving conditions of its own motion than to let it be known that it has been forced to be good by the application of the big stick, whether wielded by a supervising official, a State legislature or the courts.

Mr. Barry concluded with a tribute to the great and praiseworthy mission of the board.

At the conclusion of this address a vote of thanks was given to Mr. Barry and the address was ordered printed. At this point Edson S. Lott, of the United States Casualty, arose and said that the substance of the latter part of the resolution had already been complied with. Printed copies of the text of the address were then handed around.

A COMMUNICATION FROM CAPTAIN MASTERS.

Captain Arthur W. Masters, general manager of the London Guarantee and Accident Company, was unable to attend the convention on account of an illness which has for some time confined him largely to his home in Chicago. He sent a letter to the members of the board, however, in which he recalled with tender allusions his former activities in connection with its work, and the comrades who were then with him, some of whom have since passed across the "great divide." The conclusion of this touching communication was as follows:

Ah, my friends, I wish I could talk to you tonight as I feel. Nearness to the valley of the shadow reveals the mistakes one has made and yet lightens up to glory the kindly things of life. What do we look for in our homes? Love and peace and helpful deeds. Then why in our ambitions, in our workings and our strivings, do we not think more of bringing into the daily business associations the self-same ideas that make home beautiful? And it is in the Liability Conference, the International Association of Accident Underwriters and the Board of Casualty and Surety Underwriters where this religion can be found and fostered, if insurance men—men that are good men, men that are true men—meet together, talk over rates and policy forms, tell stories and break bread together. Then the business must improve. Members may differ as to forms, differ as to premium prices, but if honest in their differences something good or useful may be learned from the discussions, and when mistaken politicians or legislative grafters undertake to introduce hurtful or improper laws a dignified, orderly body of business men is fully united to protect the public and their companies. And if the "hand in hand" writes more this year than "the well wisher," what matters it if the business be safe and dividends in sight, the presidents are friends and the superintendents of agencies play golf together?

I tire you, but the subject of human love and brotherly kindness lies close to my heart these days. I've been ill nearly two years, in bed fourteen months, and the despair of nineteen doctors, who say I'm worse than Charles the Second when it comes to slowness in dying. The time has dragged heavily at times and I've been hard put to it to maintain my courage and patience, but let me tell you what helps me along—the letters and visits of Seward, Maybury, Lott, Moore, Stone and the old guard of the conference that are living, the knowledge that through cooperation in work I have earned their love and respect and the hope that I have that if "we shall know each other there" I'm sure of a welcome from Batterson, Endicott, Ellis, Marks and Ellerbe, those of the good old conference who have preceded me to the land of shadows.

I'm afraid I've made a sermon of this paper, and a gloomy

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sermon. It is not so intended. I would give much to be with you today, to know once more the kindly hand clasp, the welcoming smile of my friends and colleagues, but as this is forbidden me I have been granted the great pleasure of sending a message. And it goes from my heart, weakened by disease, but still throbbing with affection and esteem for all of you whom I have met and known. And believe me, now that my usefulness appears to be sadly dimming, now that in the long silent days I may review my life, it is not the $2,000,000 of assets or the $2,000,000 income, nor the good surplus or large dividends that the United States branch of the London can point to, that gives me the greatest satisfaction. This it is in the weary hours that turns shadow to sunshine, speaks resignation to my active brain and floods my soul with pleasantness and peace.

If I have ever in the justice and righteousness of my cause quarreled with one or all of you, the blows I dealt were fair ones, and I never struck below the belt. If I had a supposed or real injury to avenge I never assailed you from behind or whispered my wrongs abroad. I always talked right out in meeting; if licked, took it; if wrong, apologized, and in sixteen years among you I hold no known enemy in all this great land. Rather I have every right to feel that not only the membership but every man whom I know in the United States today is my friend. Agents, office boys, presidents of companies have come to me, written to me, jollied me, and I'd like to be spared just long enough to start the Association of Kindly Hearts for the insuring of friendships and guaranteeing among all casualty and surety men the Golden Rule. You'd all join it and never withdraw.

You will, I know, be glad to be told that (while forbidden much in the way of exertion or excitement) I am able to discuss business matters and write letters at my home and visit my office several days a week, or whenever I am needed. In bed or out, head down or no, I try to keep my grasp on the business and my place at the helm. I have in agents and office force a gallant crew of noble sailors, who have worthily stood by their captain and given loyal service, and a most generous board of directors, who have given me every encouragement to fight the malady. This is the result of co-operation, for we have all worked side by side, and shoulder to shoulder for many years. So I am with you heart and soul, and if I cannot go to you, perhaps some day you will come to me. Hope springs eternal in the human breast, and though crippled I shall hope to be a member of the Board of Casualty and Surety Underwriters until the Great Referee shall see me "down for the count."

Now, dear friends, go to your banquet hall, eat salt together (not enough to provoke a terrible thirst), tell your stories and fill your glasses, and drink to the chorus of an old song we sang forty years ago:

"Then do your best for one another,
Making life a pleasant dream;
Help each poor and weary brother,
Pulling hard against the stream."

Good night, my merrie gentlemen. God be with you.

At the conclusion of the reading of Mr. Masters' letter Mr. Stone made a motion, which was carried, that the president acknowledge the letter in a fitting manner by telegram.

A memorial resolution to Col. Charles P. Ellerbee, introduced by Mr. Seward, was adopted.

REPORT OF THE EXECUTIVE COMMITTEE.

The report of the executive committee was presented by Chairman Seward, who stated that only two legislative bills opposed by the committee became laws. He said that it was an expensive matter for companies to change the forms of annual statement blanks. Mr. Seward recited the method of the committee in contesting harmful bills. After carefully examining the bills the committee enlisted the aid of a member of the association in the locality under fire to present the objections thereto. The sentiment was expressed by Mr. Seward that the "mere infraction of the laws of detail" should not make a company suffer capital punishment in any State. He referred to revocation of licenses by insurance departments for trifling causes.

The report was received, but at Mr. Seward's request no action was taken on the recommendations it contained until the afternoon session.

The report of Secretary Armstrong showed a present membership of thirty-one American companies and six foreign, which is one less than last year. The Title Guaranty and Surety of Scranton and the Norwich and London Accident are the newcomers. The Metropolitan Surety, German Commercial Accident and People's Surety were later presented for membership and duly elected. The treasurer's report showed a balance on hand at the present time of $675.71.

The subjects for discussion were announced as being "Twisting by Agents," "Commissions of Agents," "Taxation of Insurance Premiums," "Annual Statement Blanks," "Proper Reserve on Surety Claims." A recess was taken until afternoon.

REPORT OF COMMITTEE ON TAXATION.

An interesting feature of the beginning of the afternoon session was the report of William Bro Smith, chairman of the committee on taxation. He said in part as follows:

From the returns which have been made in response to these invitations we gather that our insurance companies are paying through insurance departments and tax collectors' fees and taxes aggregating $12,000,000 a year, of which about $2,000,000 represents the charges for departmental supervision. We have known, of course, the amounts paid by the companies which we individually represent, but we doubt if any underwriter realized before the collation of these figures or that legislators or the general public of which they are the representatives, had any conception of the enormity of these taxes upon a beneficent business.

As to that portion which is levied upon the real and other property of the companies no complaint may be made, nor do we find fault with so much of the charges for departmental supervision as represents the cost thereof to the State, for insurance companies, like individuals and corporations of other kinds, must bear their share of the cost of government. We do, however, complain justly of the $10,000,000 or more a year which are taken from the companies as privilege taxes, and as the only condition upon which the companies may be permitted to protect the families, homes and commerce of the country. * *

If I were to make a suggestion for the guidance of this board if it shall determine to co-operate with the other insurance interests, and with insurance commissioners, for reform in the matter of taxation, it would be to stand by the proposition adopted in 1907 that departmental exactions in the form of statutory charges for departmental services and fees be so readjusted as to fairly represent the cost or value of the work upon which the charge is based; that these exactions be made uniform in the several States and limited so as to properly cover the cost of supervision, excluding the element of profit or taxation; that laws permitting the imposition of taxes by counties or municipalities upon insurance premiums as property or occupation taxes be repealed; that laws requiring the publication of company statements in local papers be also repealed, and that the franchise tax in each of the States be fixed at one per cent. of the gross premiums received during the year on business transacted in the State. This as a platform would correspond in most particulars to the recommendations of the insurance committee upon taxation in relation to life insurance companies.

At the conclusion of this report Mr. Feibel made a motion that it be accepted and the committee continued, which was adopted.

SUPERINTENDENT DRAKE ON A MODEL INSURANCE LAW.

In responding to the request of Chairman Seward, of the executive committee, that he would inform the meeting how far he had made progress with the preparation of a model insurance law for the District of Columbia, which President Roosevelt had instructed him two years ago to formulate, Insurance Superintendent Drake, of the District of Columbia, explained that the large amount of official business entailed upon his department and the small clerical force provided by Congress had prevented him from complying as yet with these instructions. Mr. Drake added:

If the next Congress should provide for an adequate clerical force, such as has been asked for annually from the establish-

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ment of the department, we will be able within the forthcoming fiscal year to bring the work up to date. After that is accomplished we will devote ourselves to the task of preparing and having enacted a model insurance code that the citizens of the District of Columbia, we hope, may have occasion to feel proud of.

The proper way to proceed with a responsibility of this kind and get relief within a reasonable time would be to procure an appropriation with which to employ a good lawyer; also two experts in each branch of the several kinds of insurance, all of whom working conjointly with the superintendent should be able to prepare draft of an insurance code that, after being enacted, would serve as a model for all the States to adopt. This plan I had in mind, and at the very outset of establishing the department I requested the commissioners to procure an appropriation for this purpose. The commissioners, being more familiar, however, than I was at that time with the view Congress would likely take of such an appeal, promptly declined to present to that body the needs of the department in this respect —and so we have striven and floundered, for the want of better insurance laws, ever since.

Because of the small clerical force in the department it has been and still is a physical impossibility to catch up and keep abreast of the work; therefore the Federal Government, to which all license fees and taxes that are collected in the District belong, has lost and is still losing thousands of dollars annually. This, gentlemen, is the situation in the District of Columbia, notwithstanding the fact that the Insurance Department there has been self sustaining from its establishment to date by over $400,000.

Concerning the model law drafted by the executive committee of this board the superintendent said:

Two years ago just about this time a very modest, unpretentious gentleman—Mr. Carmon F. Randolph, of this city—called at the department, saying he had been sent there with the documents he desired to leave by President Roosevelt, to whom he had been instructed by your board to submit them. One of the documents was a legal opinion he had prepared on the unconstitutionality of national supervision of insurance, which is the best I have ever seen on the subject, and which conforms to the conclusions since reached by the Judiciary Committee of both houses of Congress. The other one was a "draft of model law for the District of Columbia, including general provisions relating to stock companies and specific provisions for casualty insurance companies," prepared by the executive committee of this board, which is the best draft of law for the incorporation of various kinds of insurance companies, and the regulation of casualty insurance, that has ever come under my observation. With some changes to meet local conditions and some additional features that will have to be considered, they are substantially satisfactory.

If insurance laws such as you prepared for the District had been enacted there when the code was established, the business of the department would now be up to date.

The President, evidently having become impatient over my inability to prepare an insurance code for the District of Columbia, instructed me April 7 last to prepare and submit to him draft of a bill providing solely for the transfer of the Department of Insurance of the District of Columbia to the Department of Commerce and Labor, which I did on May 4 last. The prospective bill was referred to Hon. Herbert Knox Smith, Commissioner of Corporations, who reported adversely on such a course. I replied to it, but have heard nothing from the President respecting the disposition of it or his further wishes in the matter. It occurs to me, if the transfer is made, that the proper department to merge the Department of Insurance of the District of Columbia into is the Treasury Department, to which surety and fidelity companies operating in the District now report, but which on account of an oversight of Congress in enacting the code we are now operating under, this class of companies are exempt from local supervision in the District.

At the conclusion of the address Mr. Drake was tendered a vote of thanks.

The recommendations in the executive committee report were called up at this point and explained by Mr. Seward, after which each one was taken up and discussed in turn before adoption, and then the report was adopted as a whole.

The recommendation of the executive committee indorsing a memorandum on taxation submitted by the committee and also that a printed statement of eight reasons why the tax on companies should be reduced, should be sent out with each policy and each renewal of a policy, met with general favor. The idea is to put before the public the facts as to who really pays the taxes on insurance companies, and thereby educate the public so as to create a sentiment against unreasonable taxation The memorandum that the companies were advised to use is as follows:

TAXATION AND INSURANCE MEMORANDUM.

People who are so prudent as to cover by insurance any of the hazards, whether of life, accident or health, or of property, to which they are subject, will do well to consider the following statements, intended to indicate that they are heavily and wrongly taxed for their prudence:

1st. Taxes are levied on each and every premium. Taxes so levied vary from 1 per cent. to 5 per cent.

2d. The policyholder pays this tax with not less than 50 per cent. added thereto because of expenses incident to its collection.

3d. The burden goes over to the policyholder, because taxation cost is one of the costs of insurance that must be provided for in the premium charge.

4th. A premium tax is wrong in principle. It is a tax on a process of trade, not a tax on property or profits. It is as such an almost unexampled tax and one condemned by all economists.

5th. It is illogical. So far as the insurance taxed is on property it is a double tax. So far as the insurance is on life, limb or health, elements are being taxed which are not properly taxable at all.

6th. It is a discriminating tax. It applies to the prudent only, and its proceeds go to lessen the taxes of those who are not prudent.

7th. It is unjust. It taxes men who are trying to save taxable values from destruction, or to save dependents from want.

8th. It is a heavy tax. The revenue is not less than $12,000,000 a year.

While insurance companies regret that these taxes are levied, experience shows that they cannot dissuade legislative bodies from causing them to be levied. Legislative bodies consider the representations of insurance companies as intended to help them to make money. They do not study the matter far enough to see that the burden to be lifted is a burden upon the policyholders.

Those who insure are very numerous. They are influential because they represent the best of our citizenship. Legislative bodies would listen to their representations.

The companies will do what they can to lift this burden. Will not policyholders do what they can?

Insurance organizations incorporated as stock companies and for the purpose of making profits for stockholders should be taxed, of course, just as other corporations are taxed, on their proper property or on their profits. The taxation of premiums—taxation of a mere process of trade—is quite another thing. It is against this that insurance managers protest, and their protest does not go further.

The second resolution of the executive committee report taken up authorized the committee to procure a brief on the removal of cases from State to Federal courts and combating the laws being passed by several legislatures prohibiting such removal.

It was stated by Mr. Stone in the meeting in supporting this recommendation that the companies cannot get a square deal in the State courts in some cases due to local prejudice. It was argued that higher grades of men are generally drawn on Federal juries. This brief is to show legislation on the subject as now existing in each State and the reasons why insurance companies are entitled to hold that, as respects claims and losses, constitutional safeguards should not be set aside.

The third resolution approved of the action taken by the executive committee relative to the opposition to standard forms of accident and health policies before the National Convention of Insurance Commissioners. It also instructed the executive committee—with the co-operation of the special committee which attended the Insurance Commissioners' Convention and the meeting of the committee on blanks of that body—to do what it can to concert measures intended to sustain the views of the board regarding standard forms of policies. In discussing this recommendation Mr. Seward pointed out that it was an impossibility to have a standard form of fidelity and surety bond, as the condi-

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tions under which such bonds are written vary in nearly every case.

A fourth recommendation approving of the action of the executive committee and the special committee in regard to keeping unchanged the annual statement blank and authorizing a continuation of endeavors to prevent a change being made, met with approval.

Still another resolution authorized the appropriation of a sum not to exceed $1,000 for the purpose of enabling the executive committee to keep in touch with legislation in the various forthcoming sessions of the State legislatures and of contesting bills which are distinctly harmful to the companies. The recommendations were duly adopted.

After the report of the special committee which attended the Insurance Commissioners' Convention had been read by Chairman Bro Smith, William F. Moore made a motion, which was carried, providing for a new committee to be appointed for the same purpose by the president.

On account of the length of the discussion on taxation and legislation that of the topics announced for discussion was omitted.

A letter was read by Secretary Armstrong from Vice President De Leon, of the Casualty Company of America, expressing regret at his inability to be present. To this was attached a letter from the Singer Company in relation to its insurance encyclopedia, which was referred to the executive committee for consideration.

ELECTION OF OFFICERS.

The report of Chairman Stone, of the nominating committee, was then read, the following officers being elected unanimously: President, Edson S. Lott, United States Casualty; vice president. William B. Joyce, National Surety; secretary, William F. Moore, New Amsterdam Casualty; treasurer, Eugene H. Winslow, Metropolitan Casualty; executive committee, George F. Seward, Fidelity and Casualty; Thomas A. Whelan, Fidelity and Deposit; H. G. B. Alexander, Continental Casualty; Francis B. Allen, Hartford Steam Boiler; F. H. Kingsbury, Pennsylvania Casualty. All ex-presidents are also members of the executive committee.

After hearing a few words from the newly elected officers and some of the retiring ones the meeting adjourned.

At the banquet held at the Hotel Astor in the evening 120 guests were present. President Lott presided in his own inimitable style as toastmaster, and speeches were made by the following: James V. Barry, Edwin W. De Leon, T. J. Falvey, S. H. Wolfe, W. G. Cowles, C. D. Lakey, F. H. Kingsbury, C. A. Jenney and William B. Joyce.

The Provident Savings Life—Commissioner Rittenhouse Insists on Directors Elected by the Policyholders.

Insurance Commissioner Rittenhouse, of Colorado, has sent a letter to President Langham, of the Provident Savings Life Assurance Society, in reference to the request of fourteen State insurance commissioners that it shall arrange for the election of five members of the board of directors by the policyholders, and which is in reply to President Langham's statement to the commissioner that the present management has already selected some directors who are policyholders.

The commissioner asserts that this is not satisfactory, and that in order to restore the confidence of the public in the company it is necessary that the request of the State insurance commissioners shall meet with compliance. He recites the well known recent history of the company under several successive controls, and adds that it will require the addition of a large sum of money to the working capital to place the company in a position to resume the taking of new business and provide for a proper agency force. Then the commissioner says:

Now I would like to ask once more if you or any of the owners of the stock of this society know of any better way to get the present policyholders' confidence in your management or any better advertising feature for your new field force than to let them know and let the public know that you propose, as permitted by law, to give these stockholders the privilege of selecting a minority of the directors in order that they may assure themselves that the present new owners and the future owners of the stock are acting in good faith?

Insurance managements come and go, but a properly conducted insurance company is supposed to go on forever. The policyholders are interested not only in the present management, but in the future management of this society.

Therefore it seems to me to be very necessary for these stockholders to arrange to give the policyholders not temporary but permanent representation on the board, and such representation to be of their own selection.

If you agree to give the policyholders representation it must not be for the next year or two, but for all time, or as long as there are participating policies outstanding. The law of New York permits this plan. In order to do this it may be necessary to change your charter, but whatever legal steps are necessary to make this reform permanent should be taken at once.

If it is not possible to legally make this permanent provision for representation of the policyholders without delay of several months or a year, I believe it right that such steps be taken at once, and that in the meantime temporary directors be selected by the policyholders until the new permanent arrangement can be made effective. There is no difficulty in this plan that cannot be overcome.

Objections can, of course, be found to any plan that may be suggested, but it seems to me that it would be wise for the stockholders to permit the policyholders of New York and vicinity to select these temporary directors. If this is not satisfactory, perhaps it would be well to permit a committee of insurance commissioners from the Eastern States to select these five policyholders as directors from the policyholders of New York and vicinity to fill the gap. I suggest New York and vicinity because the purpose of the plan would be destroyed if the policyholders are to be selected from such distant points as to make it impossible for them to attend the meetings of the directorate.

As to the method of selecting directors from the policyholders in the future, the law of New York provides the means that is applied to certain other life companies and this needs no explanation from me.

In your letter you called my attention to the fact that you have policyholders in all States of the Union and in foreign countries, and suggest that if one group is to be represented they must all be represented with regard to their geographical location.

Of course, if you are going to insist upon any such representation, it means that the whole thing will fall to the ground, because it will be utterly impossible to get equal and exact representation for all of these policyholders.

The geographical location of the policyholders who may act as directors has no significance from my point of view. It would, of course, be well if every State could be represented, but it is impossible, and I believe the policyholders would vote cheerfully for representatives coming from Eastern States where it would be convenient and possible for them to attend the meetings, but this matter it is not necessary to discuss until you and the other owners of the society state definitely whether or not you wish to encourage the policyholders, the commissioners and the public by permitting the policyholders to select their own representatives on the board.

I trust that you will appreciate (as I have formerly stated) that my position is not prompted by any motive whatever outside of a desire to see this society permanently rehabilitated and restored to public confidence.

Inasmuch as you have so far made no proposition to the policyholders or the commissioners indicating any plan or method of restoring public confidence and resuming the writing of new business, and inasmuch as you have had a suggestion offered you in good faith by a number of commissioners whose sole object is to assist the society and to protect now, and in the future, the widely scattered and practically defenseless policyholders, it seems to me that you should not only give such suggestion respectable consideration, but that you should meet the issue promptly and not evade it by a dilatory discussion as to details.

I appreciate fully the courtesies with which you have acknowledged my communications, but the question asked you remains unanswered. This is no time for splitting hairs or bandying words—it is time for action—and I sincerely trust that no further

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time will be lost in taking steps, extraordinary if necessary, to give the commissioners, the policyholders and the public some specific and definite assurance upon the question at issue.

A New Idea in Life Insurance—The Educational Fund Policy Just Originated and Perfected by the Mutual Life.

(From Mutual Interests.)

The Mutual Life insurance company, of New York, has originated an entirely new idea in life insurance which is now ready to be offered to the public. This novel and practical method, by which for a small yearly payment a man may provide for the thorough education of his children in case he does not live to meet the expense himself, will appeal to many men who have the praiseworthy ambition to launch their children into the world fully equipped with a thorough education.

The policy provides for the payment of a certain definite amount every year by the Mutual Life for the benefit of the child, from the time the father dies until the child has reached maturity. With this annual income the child may secure a thorough education. The father has the privilege of deciding, when he takes out the policy, the age his son shall reach before these annual payments shall cease.

There are many well educated young business or professional men who are married and have one or more children and who are earning sufficient money to have their respective families live comfortably, and to send their children through school and college. They have perhaps a certain amount of invested capital and a sufficient amount of life insurance to provide for their families in case of their own death. But education is an expensive thing, and they realize that in case they should die while their children are young the children would not have as many advantages as to school and college as they would have if their fathers lived and continued prosperous. To such men this new form of policy should be a powerful attraction, because, in the first place, it is so cheap that it will not add materially to the yearly expenses, and in the second place, because the premiums paid for this insurance, except in rare cases, grow less every year, as the children grow older. This is an especially attractive feature, because as the child's school and college expenses increase the premiums on the Educational Fund policy annually decrease, and cease altogether at the death of the father. In the third place, after paying the first premium, the man has the satisfaction of feeling that, if he should die at once, no more premiums need be paid, but his children will receive a sufficient amount every year for their maintenance and general education, and this yearly sum would be paid regularly by the company until the children are of an age to become bread winners.

For example, suppose a man is thirty-five years old, and has a boy five years old. His income is sufficient to educate the boy, and he is planning to send him through school and college, and possibly allow him to study one of the professions. He has every expectation of earning enough while he lives to carry out this plan, but he does not know at what hour or day death may come to him and his plans come to nought. He has enough laid by and carries enough insurance on his life to keep his family from want; still he realizes that his widow would not be able to give the boy all the educational advantages which he himself plans to give him. He takes out an Educational Fund policy with the Mutual Life, by which the company agrees to pay to his estate $1,000 every year from the time he dies until his son is twenty-five years old. The $1,000 a year is designed to maintain the boy and send him through school and college and enable him to get a little start in life, and from this yearly $1,000 he will probably be able to save a little each year, so that when he is twenty-five he will have some capital to start with. If the child should die after the father and before he has reached the age of twenty-five, the annual payments will still be made by the company, for the remainder of the term, to the father's estate. If the child dies first the father will have the privilege of continuing the policy for the same benefits to someone else, or of changing it to a life, limited payment life or an endowment policy without medical examination, or he may allow the policy to expire.

For this privilege—the privilege of feeling absolutely sure of his son's welfare, so far as his opoprtunity for an education is concerned—the man pays for the first year a premium which when compared with that for other forms of insurance is exceedingly low. The next year he pays less, and each successive year he pays a decreasing amount till the policy expires. The exact figures, which depend upon the age of the parent and of the child, will be furnished by the agent. The policy may be for the benefit of a girl, the premium rate being the same as for a boy of the same age. By this new form of insurance the man is instantly relieved from worry as to danger of his cherished plans for the education of his boy miscarrying because of his death.

Educational Fund policies may be arranged for an annual income of any amount over $500. If it is wished to provide for several children a separate policy would be required for each. An annual income of $500 would be sufficient, if due economy were practiced, to pay a boy's expenses through school and college; or, if a man had two children a separate policy may be taken out for each.

This new and practical form of life insurance fills a place entirely its own, and one which has hitherto been neglected, and it should meet with a warm reception from a great number of men who are fathers, and who feel the responsibilities of fatherhood.

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Stands alone among the American companies of any note, in having repaid to its members, their beneficiaries and estates, in annuities, endowments, death claims, surrender values and dividends, more than it has received from them in premiums. These are the totals:

Received since organization—1846	$249,356,745.45
Repaid as above noted	253,641,382.54
Excess over amount received	4,284,637.09
Assets December 31, 1907	65,003,271.10
Surplus December 31, 1907	2,326,657.25
Insurance in force December 31, 1907	174,716,005.00

President, JOHN M. TAYLOR.

That New Policy
AND THOSE NEW RATES AND VALUES
turn prospectives into policyholders.
Highly liberal policy and values,
extremely low premium rates, notable
annual dividend record.
MASSACHUSETTS MUTUAL LIFE INSURANCE CO.
SPRINGFIELD, MASS.
INCORPORATED 1851
F. W. SMALLMAN, Manager of Agents for New York City, 1401 Empire Building.

1825. THE 1908.
Pennsylvania Fire Insurance Co.
OF PHILADELPHIA.

Cash Capital	$750,000.00
Reinsurance and all Liabilities	4,096,833.14
Surplus	1,615,283.97
Total January 1, 1908	$6,462,117.11

R. DALE BENSON, Pres. W. GARDNER CROWELL, Sec.
JOHN L. THOMSON, Vice-Pres. HAMPTON L. WARNER, Asst. Sec.
WM. J. DAWSON, Sec. Agency Dept.

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The **new policies** of the Provident are unsurpassed for conciseness and simplicity of form and for adaptability and liberality in all essentials.

The premium rates of the Provident are exceedingly low and are still further reduced by large annual dividends.

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H. G. B. ALEXANDER, President and General Manager.
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The Agricultural Insurance Company of Watertown, N. Y.

ESTABLISHED 1853.

Assets, January 1, 1908	$2,717,477.10
Total Liabilities, except Capital	1,705,859.80
Joint Stock Capital	500,000.00

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OF BROOKLYN, N. Y.

NEW YORK OFFICE:

68 WILLIAM STREET.

Head Office for the United States:

57 and 59

William Street,

NEW YORK.

A. G. McIlwaine, Jr., Manager.

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PACIFIC DEPARTMENT:
N. E. Cor. Sansome and Sacramento Sts.
SAN FRANCISCO, CAL.

FIREMEN'S

Insurance Company of Newark, N. J.

ORGANIZED 1855

CAPITAL,	$1,000,000.00
ASSETS,	4,701,068.80
SURPLUS TO POLICYHOLDERS,	3,148,371.45

DANIEL H. DUNHAM, President CHARLES COLYER, Vice-President
A. H. HASSINGER, Secretary

WHITON & MERGES, Agents, . . 73 William Street, New York
LEWIS & FREAR, Agents, . . . 145 Montague Street, Brooklyn
H. W. BEALS, Suburban Agent, . 76 William Street, New York

Western Assurance Company

HEAD OFFICE: TORONTO, CANADA.
INCORPORATED 1851.

Hon. GEO. A. COX, President.
W. R. BROCK, Vice President.
W. B. MEIKLE, General Manager.

UNITED STATES STATEMENT, JANUARY, 1908.

Assets	$2,313,223.21
Surplus in United States	584,136.52

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1860 48TH YEAR 1908

HOME LIFE INSURANCE COMPANY

OF NEW YORK.

GEORGE E. IDE, President

ASSETS, $20,004,853.63. LIABILITIES, $19,235,418.20.
(Including Dividend-Endowment Fund)

Dividend-Endowment Fund (Deferred Dividends) . $1,795,020.00
Net Surplus..... 769,435.43
Insurance in Force..... 86,193,296.87

The forty-eighth annual report shows a gain in the amount of insurance in force; that assets were increased nearly $1,000,000, and that over $300.000 was paid to policyholders in dividends.

Insurance Co. of North America,

232 WALNUT STREET, PHILADELPHIA.
FOUNDED 1792.

Assets, January 1, 1907..... $10,748,864
LIABILITIES—Reserved for Reinsurance and all other claims..... $6,705,870
Capital Stock..... 3,000,000
Surplus over all Liabilities..... 1,042,994 $10,748,864

Agents in all the principal towns and cities.

CHARLES PLATT, President.
EUGENE L. ELLISON, Vice-President.
BENJAMIN RUSH, Second Vice-President.
GREVILLE E. FRYER, Secretary and Treasurer.
T. HOUARD WRIGHT, Assistant Secretary.
HENRY W. FARNUM, Marine Secretary.
JOHN O. PLATT, Assistant Secretary.
Offices in New York: Fire, 51 William St.; Marine, 63 Wall St.

SAMUEL GANS, President
LEOPOLD GANS, Vice-Pres. & Gen'l Mgr.

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BECAUSE

Yearly dividends have been increased for the last three years, 1906-7-8, at a rate equaled by no other company.
Cash values guaranteed in the new life and endowment policies are equaled by few companies.
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Second Vice-President
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34 Nassau Street, New York, N. Y.

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of New Orleans

Guardian Fire Ins. Co.

of Pennsylvania

Robert Dickson - - - President
R. D. Tweeddale - - - Ass't Sec'y

80-82 William St., New York City

Established 1782.

Phoenix Assurance Company, Ltd.,

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FIRE INSURANCE ONLY. LOSSES PAID, OVER $135,000,000.
Head Office for the United States, 47 Cedar St., N. Y.
A. D. IRVING, Manager LOUIS P. BAYARD, Asst. Manager
A. D. IRVING, JR., Sec.

Union National Accident Co.

JAMES A. FLAHERTY, *Pres.*

This Company is now prepared to make contracts with high grade producers. Our up-to-date policies will prove to be easy sellers.

HOME OFFICE:

Manhattan Building, PHILADELPHIA, PA.

THE

MUTUAL
Life Insurance Company of Boston, Mass.

Insurance in Force, December 31, 1907, Over $459,000,000
STEPHEN H. RHODES, President.

ROLAND O. LAMB, Vice-Pres.; ARNOLD A. RAND, 2d Vice-Pres.; ROBERT K. EATON, Sup't of Agencies; WALTON L. CROCKER, Secretary; WM. S. SMITH, Actuary; GEORGE L. STIMMEL, General Agent Metropolitan District.

St. Paul Building, New York.

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THE

PENN MUTUAL LIFE

OF PHILADELPHIA

HAS FURNISHED

PERFECT PROTECTION AT PROPER RATES

For 60 Years

Our agents are representative citizens of their respective communities.

The New Policies

OF THE

ÆTNA LIFE INS. COMPANY

of Hartford, Conn.

are the most up-to-date and most comprehensive Life Insurance Policies to be had today.

THIRTY-ONE DAYS' GRACE IN PAYING PREMIUMS

MOST ADVANCED NON-FORFEITURE FEATURES

NO RESTRICTIONS AS TO RESIDENCE, TRAVEL OR OCCUPATION

Besides combining in one contract all the best features of all the best life insurance policies, the benefits of the NEW POLICIES of the ÆTNA LIFE are available to first-class risks if the insured becomes

TOTALLY AND PERMANENTLY DISABLED

Agents are wanted to work in both new and old fields selling these policies. For further particulars address the Home Office of the ÆTNA LIFE at Hartford. Conn.

CHARTERED 1866.

HARTFORD LIFE

Insurance Company of Connecticut

GEO. E. KEENEY, President.

ALL THAT IS BEST IN LIFE CONTRACTS

EITHER TO BUY OR SELL

$30,000,000 Paid Policyholders and their Beneficiaries.

GERMANIA

FIRE INSURANCE COMPANY

NEW YORK.

ORGANIZED 1859.

Cash Capital	$1,000,000.00
Assets	5,185,649.51
Net Surplus	949,260.99

HEAD OFFICE

Cor. William and Cedar Streets.

THE

Empire State Surety Co.

Executive Office: 84 William St., New York.
192 Montague St., Brooklyn.

General Surety Bonds — Plate Glass
Liability — Burglary
Boiler
Personal Accident and Health Insurance

OFFICERS:

WILLIAM M. TOMLINS, JR., . . *President*

Moses May, . . } *Vice-Presidents*
Willard P. Reid, }
Walter J. Moore, }
R S Keelor, M.D. }

Daniel Stewart, . . *Secretary*
Alfred J. Hodson, . . *Ass't Sec'y*
Warrel S. Pangborn, . *Treasurer*
Hugo Hirsh, . *General Counsel*

THE

METROPOLITAN CASUALTY

INSURANCE CO. OF NEW YORK

Home Office, - 47 CEDAR STREET

CHARTERED 1874

PLATE GLASS
PERSONAL ACCIDENT POLICIES
AND HEALTH
OF THE MOST APPROVED FORMS

EUGENE H. WINSLOW, President

DANIEL D. WHITNEY, Vice-Pres't — S. WM. BURTON, Sec'y
ALONZO G. BROOKS, Ass't Sec'y

RELIABLE AND ENERGETIC AGENTS WANTED

[FIRE]

German American

Insurance Company

New York

STATEMENT JANUARY 1, 1908

CAPITAL

$1,500,000

RESERVED FOR ALL OTHER LIABILITIES

7,592,685

NET SURPLUS

4,415,353

ASSETS

13,508,038

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THE Fidelity and Casualty Company,

97-103 CEDAR STREET, NEW YORK CITY.

Assets, $7,537,429.91.

Capital and Surplus, $2,013,400.24.

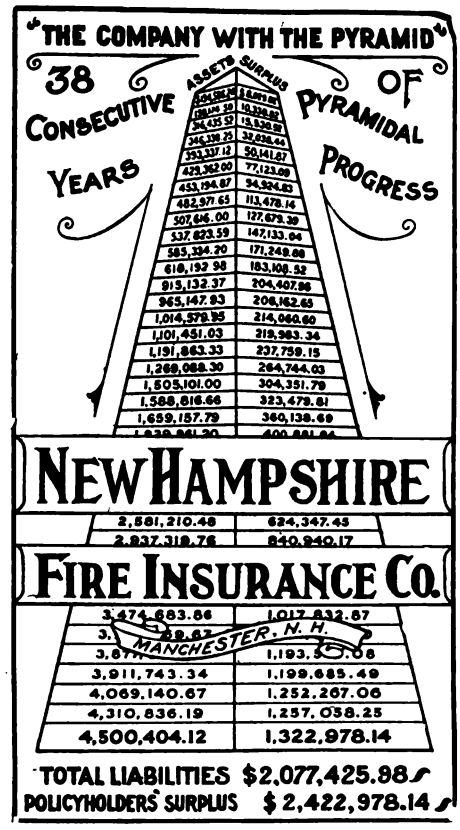
Losses Paid to January 1, 1908, $26,629,131.90.

This Company grants Insurances as follows:

Bonds of Suretyship for persons in positions of trust.
Fidelity Bonds, Burglary, Plate Glass,
Steam Boiler, Flywheel, Employers',
Public, Teams, Workmen's Collective,
Elevator and General Liability;
Personal Accident, Health
Physicians' Liability and
Bonded Attorneys' List.

OFFICERS:

George F. Seward, President.
Robert J. Hillas, Vice-President and Secretary.
Henry Crossley, Assistant Secretary.
Frank E. Law, Second Assistant Secretary.
George W. Allen, Third Assistant Secretary



SURETY ON BONDS

Home Office Building, New York.

American Surety Company of New York

100 Broadway, - New York

Capital, $2,500,000

Bonds issued for Employees, Administrators, Guardians, and in Judicial Proceedings.

STATEMENT DECEMBER 31, 1907.

Resources (including Capital, $2,500,000)..... $6,365,342.47
Liabilities (including Reserve, $1,126,946.11).... 1,746,329.08

HENRY D. LYMAN, *President*

W. S. JOHNSTON, *Vice-President*

Organized 1871

Life Insurance Company of Virginia

HOME OFFICE, RICHMOND, VIRGINIA

J. G. Walker, President.
T. Wm. Pemberton, 1st Vice-Pres. W. L. T. Rogerson, Secretary.

The PIONEER Southern Industrial Life Insurance Company.
The OLDEST Southern Life Insurance Company
The LARGEST Southern Life Insurance Company.
The most approved forms of Life, Endowment and Industrial Policies issued on favorable terms.

Assets ..... **OVER $4,000,000 00**
Insurance in force ..... **OVER $61,000,000.00**
Total payments to policyholders since organization ..... **OVER $8,500,000.00**

London Assurance Corporation,

CHARTERED A. D. 1720.

Surplus in United States January 1, 1907, $650,599.91.

CHAS. LYMAN CASE, Manager.

84 William Street. New York

Commercial Union Assurance Co.

LIMITED,

OF LONDON.

OFFICE:

Cor. Pine & William Sts., New York.

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HOME OFFICE OF THE

Metropolitan Life Insurance Co.

INCORPORATED BY THE STATE OF NEW YORK

The Company OF the People, BY the People, FOR the People.

PROOF OF PUBLIC CONFIDENCE

This company has more premium paying business in force in the United States than any other Company, and for each of the last 14 years has had more New Insurances accepted and issued in America than any other Company.

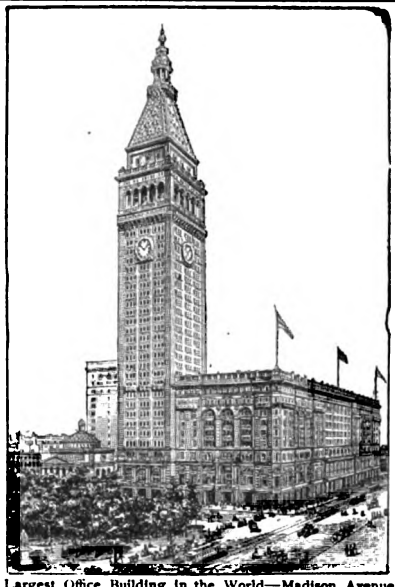
The number of Policies in force is greater than that of any other Company in America, greater than all the Regular Life Insurance Companies put together (less one), and can only be appreciated by comparison. It is a greater number than the Combined Population of Greater York, Chicago, Philadelphia, Boston, St. Louis, Cleveland, Cincinnati and Milwaukee.

ASSETS.

United States, City and R. R. Bonds and Stocks	$81,500,727.38
Bonds and Mortgages	74,620,197.45
Real Estate	19,905,683.48
Cash	5,258,969.45
Demand Loans on Collateral	3,476,500.00
Loans to Policyholders	6,552,375.12
Prem. deferred and in course of collection (net)	4,772,106.25
Accrued Int., Rents, etc	2,233,904.15
Total	$198,320,463.23

LIABILITIES.

Reinsurance Fund and Special Reserves	$181,775,579.00
All other Liabilities	1,542,371.65
Capital and Surplus	13,951,899.14
Total	$198,320,463.23



Largest Office Building in the World—Madison Avenue, Fourth Avenue, 23d Street and 24th Street, New York City.

SIGNIFICANT FACTS

This Company's Policy-claims paid in 1907 averaged in number one for every 64 seconds of each business day of 8 hours each and in amount $124.95 a minute the year through.

THE DAILY AVERAGE OF THE COMPANY'S BUSINESS DURING 1907:

452 per day in number of Claims Paid.
6,891 per day in number of Policies placed and paid for.
$1,289,893.45 per day in New Insurance placed and paid for.
$162,489.27 per day in Payments to Policyholders and addition to Reserve.
$72,011.34 per day in Increase of Assets.

OFFICERS

JOHN R. HEGEMAN	President
HALEY FISKE	Vice President
GEORGE H. GASTON	2d Vice President
GEORGE B. WOODWARD	3d Vice President
FRANK O. AYRES	4th Vice President
JAMES M. CRAIG	Actuary
FREDERICK H. ECKER	Treasurer
WALTER STABLER	Comptroller
JAMES S. ROBERTS	Secretary
JOHN R. HEGEMAN, Jr.	Asst. Secretary
J. J. THOMPSON	Assistant Secretary
T. R. RICHARDSON	Assistant Secretary
F. F. TAYLOR	Assistant Secretary
FREDERICK A. BETTS	Assistant Secretary
STEWART L. WOODFORD	Counsel
THOMAS H. WILLARD, M. D.	Med. Direct.
AUGUSTUS S. KNIGHT, M. D.	Med. Direct.
W. S. MANNERS, M. D.,	Asst. Med. Director
E. M. HOLDEN, M. D.	Asst. Med. Director
I. J. CAHEN	Manager Ordinary Dept.

Paid to Policyholders since Organization, plus the Amount now invested for their Security, $407,462,482.06.
Number of Policies in Force, 9,620,009. Amount of Outstanding Insurance, $1,804,946,581.00.

In its Ordinary Department policies are issued for from $1,000 to $1,000,000 on individual lives, premiums payable annually, semi-annually and quarterly. In its Industrial Department policies are issued on all the insurable members of the family for weekly premiums.

Full particulars regarding the plans of the Metropolitan may be obtained at its Home Office, 1 Madison Ave., New York City, or of its Agents in all the principal cities of the United States and Canada.

THE

Union Central

Life Insurance Company of Cincinnati

ESTABLISHED 1867

Has the following unrivaled points of superiority which make its policies easier to sell than those of any other company: Highest rate of interest earned, low death rate, low expense rate—resulting in lowest cost to policyholders. Its new 1908 policies are simple in verbiage and most liberal in provisions. THE UNION CENTRAL has no investments in stocks or bonds.

JESSE R. CLARK, President — E. P. MARSHALL, Vice-President

HANOVER

Agencies in all the Principal Places in the United States.

Fire Insurance Company OF NEW YORK.

QUEEN

Ins. Co. of America.

NEW YORK.

"The Leading Fire Insurance Company of America."

Incorporated 1819. **Charter Perpetual.**

Cash Capital	$4,000,000.00
Cash Assets	14,884,569.43
Total Liabilities	7,129,963.55
Net Surplus	3,754,605.88
Surplus as to Policyholders	7,754,605.88
Losses Paid in 89 Years	112,036,856.57

WM. B. CLARK, President.
W. H. KING, Vice President.
HENRY E. REES, Secretary.
A. N. WILLIAMS, E. J. SLOAN, E. S. ALLEN, GUY E. BEARDSLEY, Assistant Secretaries.
W. F. WHITTELSEY, JR., "Marine."

WESTERN BRANCH, Traction Building, Cincinnati, Ohio.
THOMAS E. GALLAGHER, General Agent.

NORTHWESTERN BRANCH, Omaha, Neb.
WM. H. WYMAN, Gen. Agent. W. P. HARFORD, Ass't Gen. Agent.

PACIFIC BRANCH, San Francisco, Cal.
BOARDMAN & SPENCER, General Agents.

INLAND MARINE DEPARTMENT.

CHICAGO, 145 La Salle St. NEW YORK, 93 and 95 William St.
BOSTON, 70 Kilby St. PHILADELPHIA, 226 Walnut St.

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The Weekly Underwriter:

AN INSURANCE NEWSPAPER.

ESTABLISHED 1859.

VOL. LXXIX. NEW YORK, SATURDAY, OCTOBER 31, 1908. No. 18.

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Entered at the New York, N. Y., Post Office as second class matter.

CHARLES A. JENNEY, President and Treasurer. L. ALEXANDER MACK, Secretary.

THE canvass for votes in the elections of next Tuesday ends practically with this week, amid the tumult of the multitudes following the campaign speakers and the confident predictions of the party leaders. A great procession, of which five thousand men in the local insurance business form but a small part, marches through the streets of New York today. While the indications are that the life insurance people have taken a keen interest as individuals in the choosing of a Governor for New York, it is certain that as a body they have done very little to exert an influence on the result. There has been no concerted movement against the re-election of Mr. Hughes that has appeared on the surface at least. On the other hand the partisans of the Governor have late in the campaign introduced as an issue his services as the savior of life insurance, and have made a direct appeal to policyholders to support him in return for protecting their interests against the managers of the business. The familiar old romances have been industriously worked over again by the dailies, most of which, irrespective of party, have been assisting the Governor in his struggle for reelection.

Now that the insurance convention season is over we cannot repress the yearning to air our old grievance about the length of the addresses and essays read at the annual gatherings of underwriters. The temptation to dilate on the subject while the meetings were in progress was strong, but there was the danger of remarks being taken as personal. All is history now, and nobody in particular is knocked when we repeat that it is only a very brilliant writer who can hold the attention of an audience while he reads the equivalent of four columns of printed matter or be sure that it will be read when it appears in print. And yet there have been papers presented at conventions this year which had they been reproduced in these columns would have filled from six to ten pages each. It may be doubted if anybody except the printing office proofreader would have had the courage to tackle them. Of course the talented gentlemen who go to the trouble to prepare essays on the problems in which the business is interested, and of which they have expert knowledge, desire that they shall be heard and read. They can be assured of these results only by respecting the patience of those to whom their productions are addressed. The most popular clergymen are those who preach fifteen minute sermons. The after dinner orator who talks over a quarter of an hour loses his audience. The latter part of an essay that takes more than thirty minutes to read has few listeners. The gift of conciseness in the expression of ideas is not given to all men, but the diffusive composer can do much for his work if he will labor earnestly to boil it down. Make the papers short. A thousand words are enough and produce the best results.

ALTHOUGH the vocations of fire, life and casualty underwriters are distinctive, they have many purposes in common, and there is wisdom in fraternization for their attainment. The idea of a union of forces is not new abroad nor in Canada, but the first successful organization on these lines has just been effected in Hartford. There the Insurance Institute has come into existence, with a distinguished fire underwriter for president, two life underwriters and a representative of the agencies for vice presidents, two life and accident underwriters for secretaries, a fire underwriter for treasurer, and a draft on all the varieties in the business, including steam boiler insurance, for the board of directors. It is plain that such matters as legislation and the insurance education, both of the public and the men in the business, can be promoted by a concentration of the efforts of all branches of insurance, and these alone would furnish a sufficient motive for confederation. As to the details of institute work, they are foreshadowed by one of its organizers, Mr. Papps, actuary of the Mutual Benefit Life, who was formerly president of the Insurance Institute of Toronto, and who in an address at the organization meeting at Hartford said that these associations abroad "have primarily an object of education along insurance lines. This education is advanced by the reading of papers on technical and general insurance problems, the circulation of a journal consisting of such papers contributed by members, the establishment of reference libraries and reading rooms, the maintenance of an insurance museum, the inspection of insurance hazards and the examination of members on general subjects from time to time, on which examinations qualified membership is attained. The social side of the institute is developed along with the educational features."

THE political campaign in Missouri has recently turned upon the question whether the Republican candidate for Governor, who is the present Attorney General, is or is not the tool of that nefarious malefactor, the "fire insurance trust." In large and stirring headlines the Democratic papers have been giving the public the "startling information" that "by agreement with Mr. Hadley the insurance combine is now enjoying immunity from prosecution. Part of this agreement was to the effect that the insurance combine should reduce its rates. There has been no noticeable decrease in the fire insurance rates in Missouri since the agreement was made. These facts alone make it plain why the fire insurance trust should

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be supporting the 'trust busting' Attorney General." To these grave charges the accused candidate has replied in an indignant speech, recounting his services in bringing the insurance companies to their knees in the State and forcing them to fall down at least ten per cent. in their premium rates. Says the candidate:

In addition to the reduction upon the class of property heretofore mentioned, there has also been brought about, as a result of the readjustment and rerating of insurance risks of the State, through this litigation, a reduction of 33 1-3 per cent. on brick buildings with metal, slate or gravel roofs, together with their contents; 33 1-3 per cent. on brick buildings with shingle roofs and contents; a reduction of 22¼ per cent. upon frame buildings with metal, slate or gravel roofs, and a 26 per cent. reduction on frame buildings with shingle roofs. These figures here given are furnished by Judge Thomas Bates, the general counsel for the seventy-nine companies that were involved in this litigation, and which do from two-thirds to three-fourths of the fire insurance business in the State. I am assured by him that these reductions are now in force as a result of the rerating brought about by this litigation. Quoting from a letter of his of September 19, 1908, to another person, which has been submitted to me: "I know to a dead certainty at this time that General Hadley's action against the insurance companies resulted directly in a reduction all over the State equivalent to at least 10 per cent. I mean by this that the reduction will average 10 per cent. of the premiums on every risk." In addition to these facts and this statement of Judge Bates, I will say this: Judge Scarritt, former judge of the Circuit Court, and one of the leading lawyers and Democrats of Kansas City, and Hon. John F. Lee, former president of the St. Louis Bar Association, and one of the leading lawyers and Democrats of St. Louis, were associated with Judge Bates as attorneys for the insurance companies in this litigation. I am entirely willing that either one or both of these gentlemen should say whether the statement that I have here made is incorrect in the slightest particular. I am willing that they should say as to whether I did not by the proceeding that I instituted against the insurance companies bring about, in a fair, conservative and effective manner, an average reduction of 10 per cent. in the rates charged the people of this State for fire insurance, and that that reduction has resulted in a saving to the people of Missouri of approximately $800,000 each year.

The quotation from Mr. Hadley's speech, as well as the controversy over his subserviency to the "trust," will be interesting to fire underwriters as testimony of the estimation in which their business is held in Missouri. They are engaged in what ought to be considered the respectable occupation of furnishing protection against loss to property by fire at a small profit. In most countries they are regarded as something of a blessing. In Missouri political parties struggle to demonstrate which has harassed and baited the business the most. This is what the companies get by submitting to the $1,000 extortion from each, instead of walking out of the State, as they did in the Arkansas case.

Facts and Opinions.

At a meeting of the board of directors of the **Massachusetts Mutual Life** of Springfield, held on Wednesday, William W. McClench was elected president to succeed the late John A. Hall, and Secretary William H. Sargeant was chosen to succeed Mr. McClench as second vice president. Wheeler H. Hall, assistant secretary, was advanced to the secretaryship. Henry M. Phillips will continue as vice president. Mr. McClench, the newly elected president, was born at Chicopee, Mass., in 1854, and was graduated from Tufts College in 1876 with the degree of A. B. For the next three years he studied law and taught school, being admitted to the bar in 1878. From 1878 to 1893 he was engaged in the general practice of law in Chicopee and Springfield, in the latter year becoming associated with the Massachusetts Mutual as associate counsel. In 1898 he became general counsel on the death of Judge Gideon Wells, and a year later was elected a director of the company. When in 1905 increased business required the creation of the office of second vice president Mr. McClench was the unanimous choice of the directors, and the duties of this office were added to those of general counsel. For some time Mr. McClench has been a member of the company's finance committee, and for many years intimate with the finances and investments of his company. The new president's mastery of all branches of the life insurance business, which he has acquired in a connection of fifteen years with the company, should stand him in good stead in his new duties. Life insurance law and legislation, and the technicalities of the life insurance business, have been made subjects of careful study by him, and he has been in close touch with the agency force during this period of his service with the company. In fact he is as popular with the home office employees as he is in the field, which is saying considerable. An accomplished public speaker, Mr. McClench is much in demand in business and insurance circles in his home city, and as such his outside popularity should do much toward keeping the company before the business community. William H. Sargeant, the new second vice president, is a native of Springfield, where he was born in 1868. In June, 1884, he entered the service of the company, and was for some time head of the policy, the death claim and supply departments. In 1900 he was appointed inspector of agencies and risks, and three years later was elected assistant secretary, and in 1905 became secretary. He has a thorough knowledge of policy contracts and of field conditions. The new secretary, Wheeler H. Hall, was born in Bridgeport, Conn., in 1866, and joined the company in 1886 as a clerk in the actuarial department. In 1900 he was appointed chief accountant, and three years later became assistant secretary. He is well equipped for the position, as he is a master of office detail, and has been connected with the mortgage and loan investments of the company very intimately for the last fifteen years.

The following standing committees of the **National Convention of Insurance Commissioners** have been appointed by President Benjamin F. Crouse:

Laws and Legislation—Lemert, Ohio; Vandiver, Mo.; Billheimer, Ind.; Button, Va.; Rittenhouse, Col.; Hartigan, Minn.; Folk, Tenn.; Ryon, Ill.

Blanks—Appleton, N. Y.; Brinkerhoff, Ill.; Fletcher, Mass.; Rowland, Mich.; Stillwell, Ohio; Davenport, Va.; Lang, Me.; Hammond, Conn.

Rates of Mortality and Interest—Beedle, Wis.; Green, Mass.; McMaster, S. C.; Wright, Ga.; Basford, S. Dak.; Hann, Col.; Fletcher, Mass.; Sexton Ala.

Assets of Insurance Companies—Adams, N. H.; Kelsey, N. Y.; Hardison, Mass.; Wolf, Cal.; Pierce, Neb.; McComb, Okla.; Henry, Miss.; Bell, Ken.

Credentials—Gray, R. I.; Marshall, Del.; Watkins, N. J.; Davis, Nev.; Tingey, Utah; Moore, Ark.; Fleetwood, Ver.; Benson, Ore.

Reserves Other Than Life—Hardison, Mass.; Cunningham, Mont.; Stillwell, Ohio; Hadley, N. Y.; McGivney, La.; Anderson, Wis.; Brinkerhoff, Ill.; McCulloch, Pa.

Miscellaneous—McDonald, Conn.; Barnes, Kan.; Grant, Wyo.; Scherr, W. Va.; Love, Tex.; Gosslind, Idaho; Knott, Fla.; Cooper, N. Dak.

Unauthorized Insurance—Young, N. C.; Barry, Mich.; Wolf, Cal.; Love, Tex.; Marshall, Del.; Drake, D. C.; McMaster, S. C.; Martin, Pa.

Fraternal Insurance—Folk, Tenn.; Hardison, Mass.; Vandiver, Mo.; Drake, D. C.; McGivney, La.; Love, Tex., Stillwell, Ohio; Nichols, Wash.

Place of Meeting and Officers—Drake, D. C.; Gray, R. I.; McDonald, Conn.; Button, Va.; Hartigan, Minn.; Lemert, Ohio; Young, N. C.

Special Committee—On Taxation—Kelsey, N. Y.; Barry, Mich.; Button, Va.; Hartigan, Minn.; Lemert, Ohio; Sexton, Ala.; Adams, N. H.; Folk, Tenn.

To Investigate Expenses of Fire Insurance Companies—Barry, Mich.; Kelsey, N. Y.; Lemert, Ohio; McDonald, Conn.; Young, N. C.

On Valuation of Securities—Kelsey, N. Y.; Hardison, Mass.; Button, Va.; Crouse, Md.

On Fidelity and Surety Companies—Rittenhouse, Col.; Button, Va.; Hartigan, Minn.; Kelsey, N. Y.; Barry, Mich.; McDonald, Conn.; Fletcher, Mass.; Young, N. C.; McComb, Okla.

The Washington State Supreme Court on October 24 affirmed the decision rendered against the Hartford Fire by the Superior Court of Kitsap County last February in favor of the **Port Blakely Mill Company.** Following the burning

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of the mill property, which was the finest in the Northwest, on April 22, 1907, the insurance companies declined to pay, alleging that the automatic sprinklers had failed to operate. The mill company thereupon brought thirty suits against various companies simultaneously in two counties in the Federal court. The first case decided was at Port Orchard, Wash., on February 19, where the Hartford Fire was beaten, damages for $32,000, with $2,000 interest additional, being rendered against the company. The case immediately was appealed by the Hartford, and other suits held to await the action of the Washington Supreme Court. The lower court had decided that the company had not proved that the sprinklers were out of order at the time of the fire. The total amount of insurance involved was $220,000, in the following companies: Ætna, Citizens, Colonial, Commercial Union, Connecticut, Continental, German-American, Hartford, Home, Insurance Company of North America, Law Union and Crown, London and Lancashire, London Assurance, Michigan Fire and Marine, National Fire, Niagara Fire, New York Underwriters, North British and Mercantile, Northern, Phenix of Brooklyn, Phœnix of Connecticut, Phœnix of London, Royal of Rhode Island, Royal Exchange, Scottish Union, Springfield Fire and Marine, Sun of London, Union of London, Queen.

The **Kimmel case** continues in statu quo, for at the hearing at Auburn prison on Friday of last week Andrew J. White, the man supposed to be the missing bank cashier, was so wearied at the continuation of the examination that the case was postponed for a few days to allow him to recuperate. The alleged sister of Kimmel, Mrs. Edna Kimmel Bonslett, of St. Louis, persisted in her refusal to acknowledge that the convict is her brother, while he claims that the reason she will not acknowledge the kinship is because as beneficiary she received money on his life insurance policies after assigning them to his uncle. Speaking to Edward O'Brien, of Chicago, attorney for the New York Life, recently, Kimmel declared that the girl had acknowledged him during a private visit to his cell when only the keeper was present. On that occasion he said she whispered to him to "say nothing and it will be for the best," after which the attorney says the girl relapsed into her present condition of hostility. Today Kimmel swore that his uncle, Charles Johnson, has turned over to him certain stolen property belonging to the Pacific Express Company, of Omaha, in connection with the $100,000 embezzlement case in 1898. This was returned by A. J. Hunt to the company, with $10,000, and on turning State's evidence Hunt was released. It was the refusal of Kimmel's alleged sister to acknowledge him which made him such a nervous wreck that the investigation could not be continued.

The New York **Taft and Sherman Insurance Club,** enrolled for the Business Men's campaign parade in the city of New York today, will turn out over 5,000 strong. Major A. White, who is battalion quartermaster of the Seventh Regiment, will be marshal for the parade, and it will be headed by the Seventh Regiment Band. The following is a list of the officers of the club, and they represent fire, life, casualty, marine and all other branches of the insurance business:

President, George T. Wilson; vice presidents, Hugh M. Allwood, Charles W. Anderson, Edward C. Anderson, Herbert Appleton, Kimball C. Atwood, George W. Babb, George W. Burchell, E. K. Beddall, Andrew C. Benedict, E. H. Betts, Louis A. Cerf, George R. Crawford, Percy Chubb, Col. Ezra De Forest, Edmund Dwight, William Dutcher, Henry W. Eaton, John A. Eckert, W. E. Edmister, M. J. Ennis, Emil H. Frank, W. J. Gardner, Robert H. Goffe, William J. Griffin, J. A. Goulden, J. J. Guile, Henry Hale, E. L. Hearn, William E. Hutchins, Harold Herrick, J. G. Hilliard, H. E. Hess, W. W. Henshaw, Beekman Hunt, Oscar Ising, E. C. Jameson, William N. Kremer, F. D. Kilburn, Clarence H. Kelsey, Theodore E. Lane, Frederick S. Lockwood, Benoni Lockwood, Henry D. Lyman, J. F. Makley, Percy S. Hallett, W. B. Mann, Ballard McCall, G. W. Montgomery, W. F. Moore, Edouard Mostert, William R. Mowe, William W. Owens, W. C. Pate, Charles H. Post, R. Bleecker Rathbone, A. A. Raven, Wallace Reid, John H. Robinson, E. G. Richards, John H. Sell, Hugo Schumann, George P. Sheldon, E. G. Snow, Frank W. Stillman, Wyllys Terry, W. W. Underhill, R. Emory Warfield, Seth H. Whiteley, John M. Whiton, E. H. Winslow, William T. Woods, George B. Woodward and Alex. H. Wray; treasurer, E. P. Holden; secretary, A. M. Thorburn.

At a luncheon to the Chicago department agents of the **Mutual Life insurance company** at the Midday Club on October 20, President Peabody was present and made an address in the course of which he said:

Three years ago we started in the midst of a storm. I came to the company with business experience, and I thought, as Mr. Carlisle said, with an untarnished name, but my time at first was nearly all taken up with answering accusations to the effect that I was a Standard Oil man, a Harriman man—in fact, almost anything but a Mutual Life man. Through that first year my time was mostly occupied in settling disputes and I could not do anything for the agents. These matters have finally been disposed of and now the company's departments have all been reorganized. Mistakes may happen, and no human machine is infallible, and some mistakes cannot be helped, but all things are getting better and better all the time. Of necessity the agency department came last. We were hampered by the stringency of the Armstrong laws limiting compensation, but finally the agency force was reorganized and well reorganized. I can truthfully say that the Chicago agency represents the best period of this reorganization, and it is now as good as can be expected. In proof of this, I have with me some figures showing the advancement that has been made this year. In January the written business was $254,000 in Chicago, and in August it had reached the vast sum of $1,307,000. The total this year is all that can be asked for, and I am bound to say you have done well.

At the luncheon Manager Carlisle announced that during August and September the Chicago agents had produced $2,500,000 in applications, leading all other agencies.

Recommendations have been made by a committee of the National Board of Marine Underwriters of New York city to the committee appointed by President Roosevelt to examine the laws of the United States for the **better security of the lives of passengers and crews at sea.** In summing up, the committee says:

We would suggest the desirability of adopting such regulations as will require safe packing and casing of dangerous and inflammable commodities. We would suggest that, with the exception of legislation dealing with certain general principles to be enacted by Congress, the adoption of regulations for the protection of lives and property at sea should be intrusted to a permanent commission to be composed of the Secretary of Commerce and Labor, an officer of high standing in the United States Navy, a representative merchant, a steamship owner or agent and a marine underwriter; regulations adopted by this commission to have the force of law when and as promulgated by the Secretary of Commerce and Labor. If the regulations to be adopted deal with methods of stowage in detail or with the character or height of deck loads it might be well, perhaps, that the making of such regulations should be committed to the United States Board of Supervising Inspectors. The enforcement of all regulations upon the subject should, in our judgment, be intrusted to the United States local inspectors, just as are the present regulations relating to the structure and character of the hulls and boilers of vessels.

The board of control of the insurance department of the **Knights of Pythias** held its meeting for the election of officers of the insurance department on October 12. Hon. Union B. Hunt, of Indiana, was elected president, Mr. C. F. S. Neal, who has held that office since 1901, retiring. Mr. Hunt is a prominent Pythian and is well known, having for four years held the office of Secretary of State of Indiana, and is now chairman of the Railway Commission of that State. Mr. Carlos S. Hardy, who has been general counsel of the insurance department for eight years, was re-elected to his old position, and also re-elected general secretary. Dr. George G. McConnell was re-elected medical examiner-in-chief. In less than two years the insurance department has established its fifth class and has admitted 43,192 members to it, who carry insurance to the amount of $61,647,000. The fifth class has a mortuary fund of over $766,000. The insurance department on September 30 last had resources of $2,269,212, of which $1,935,850 is invested in State and municipal bonds. It had up to October 1, 1908, paid out death claims of $27,596,994.

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A stricter supervision of life insurance companies transacting business in **Mexico** is contemplated in the **new life insurance law**, which was formally presented to the Chamber of Deputies of the Mexican Congress by Finance Minister Limantour. The failure of a well known Mexican company is believed to have had considerable to do with bringing the reform idea to the front. The draft of the law, which includes many important reforms involving not only the companies which may enter the field, but those already operating there will not likely be presented to the congress in its present form. The measure in its tentative form was drafted largely from a study of the insurance laws of foreign countries and States, including those of France, Italy, Germany, England and the various States of the American Union. Even the Texas Robertson law requirement regarding investments was incorporated in the draft, but this feature will undoubtedly be modified.

The **Oklahoma** Insurance Commissioner, T. J. McComb, is advocating a **resident agents' law** for that State.

If there is any one thing that we need in this State in the way of insurance legislation it is certainly a stringent resident agents' law. Companies come into this State, meet the requirements as to capital, pay their losses promptly and appoint agents and pay the fee of $3 for each license, as required under our constitution, and the local agent, armed with his commission from his company and his license from the Insurance Department of the State, is equipped in a legal way for business. He lives in the State, he is a citizen of the State and obeys the laws of the State or answers for any infringement; he spends his time, his money and his energy in the State, and is interested naturally in its every development and advancement, and with all this he works early and late building up a business, and then wakes up to the fact that he is being robbed out of that which justly belongs to him, a law-abiding business man, and that the business that is merited by his company, that has paid all taxes and fees required, is captured by some nonresident agent or agency and by some wildcat company. This I regard such a bad state of affairs, and so wrong from a moral and a business standpoint, that I shall urge again before the next Legislature, as I did the last Legislature, a stringent resident agents' law.

Suit to enjoin the county treasurer of Hamilton County, Ohio, from collecting more than $3,000,000 alleged to be due as back taxes was filed by the **Union Central Life insurance company** in the Superior Court at Cincinnati on Saturday. The company says that the Hamilton County auditor has certified to the county treasurer for collection two sums, as follows: In 1908, $1,243,970; 1907, $1,571,724, which, with penalties, make a total of $3,007,263.40. The petition states that the amount on the duplicate in 1906 was $47,845,000, and in 1907 it was $53,900,000. There is now pending a suit by the county against the company for the collection of $2,000,000, said to be due as taxes. The county had taken no action on this sum of more than $3,000,000 involved in Saturday's action, but, anticipating that the county might start action, as it had done in previous cases, the Union Central applied for a legal stay to the collective propensities of the county.

At the meeting of representatives of the various insurance interests of Hartford called for Thursday of last week, the much discussed **Insurance Institute of Hartford** was organized by the election of the following officers and directors:

President—William B. Clark, Ætna insurance company.

Vice Presidents—Archibald A. Welch, Phœnix Life insurance company; Walter G. Cowles, Travelers insurance company; Charles E. Parker, for the insurance agencies.

Corresponding Secretary—Louis Deniston, Travelers insurance company.

Recording Secretary—George Goodwin, Ætna Life insurance company.

Treasurer—C. F. Scholl, London and Lancaster insurance company.

Directors—B. D. Flynn, Travelers insurance company; J. V. Fothergill, Orient insurance company; Charles F. Johnston, Phœnix Life insurance company; J. H. Jarman, Connecticut Mutual Life insurance company; A. D. Risteen, Hartford Steam Boiler Inspection and insurance company; E. J. Sloan, Ætna insurance company.

About 350 membership names were enrolled.

Lumber losses continue unprecedentedly heavy, many fire insurance companies having a loss ratio of over 100 per cent. on this class, which leads the Chicago *Record-Herald* to say:

It is estimated that the lumber losses in the past two months have amounted to $5,000,000, New England furnishing a million in a single fortnight, the Western Union territory suffering severely because of numerous forest fires, while the South and Pacific Coast have contributed their quota. Lumber losses in the Western Union field were over a million last week, with the Rock Island loss of $500,000 the leader. This has been the driest season in over a score of years, making lumber peculiarly susceptible to fire, and a blaze once started in a yard is apt to prove a total loss. This is serious enough in itself, but the situation of the companies is made more serious by the fact that just about the time the heavy run of losses set in a new schedule was issued for rating lumber risks in the West which has made an average reduction in mill yards of about 28 per cent. This was based partly upon the competition of mutuals and interinsurance concerns and partly upon the low loss ratio on lumber for the last four or five years.

Counsel for the **Nashville fire insurance agents**, from whom the Tennessee Insurance Department has demanded any **correspondence** relating to the Epperson agency, announces that no correspondence will be furnished until the case has been passed upon by the State courts. Mrs. Epperson, in her hearing before the insurance commissioner, read a written statement attributing all her troubles to her capture of the line on the Cummins Station. She says that the mutuals were expected to secure the risk, and so the Western Sprinklered Risk Association was brought into the competition, and a rate of 25 cents was authorized, whereupon the wholesale merchants occupying the building gave her a contract for five years. Since then, she claims, the other agents have refused to exchange business with her. The insurance commissioner has adjourned the hearing until November 11.

The Supreme Court of Illinois, in the case of Mary Spence, widow of Robert Spence, of Chicago, against the Central Accident Company, rules that the **statement of age in an application** for an insurance policy is representation and not warranty. "Such a statement," says the court, "is merely representation, falsity and materiality of which are questions of fact, and should have been disposed of by trial court as such." The insurance company alleged a breach of warranty on the part of the insured, who, in his application, represented he was sixty-two years old, when in reality he was sixty-four. A trial court held against the insured, rendering judgment against the plaintiff for costs of the case, and the Appellate Court sustained the trial court's judgment.

The following have been nominated by committee for officers of the **Boston Board of Fire Underwriters**, to be voted for at the forthcoming annual meeting: President, E. C. Brush, New England manager of the Pennsylvania Fire (for re-election); vice president, Augustus S. Lovett (Jordan, Lovett & Co.); treasurer, A. Jarratt Lewis; secretary, Warren S. Colegrove (now acting secretary); executive committee, Charles B. Wheelock (Wheelock & Serrat), Frank A. Dewick (Dewick & Flanders), James H. Carney (Kaler, Carney & Liffler), Harrie H. Whitney (Rice & Whitney), Edward F. Woods (Hinckley & Woods). The office of vice president was created under the new constitution and bylaws recently adopted.

A **new Boston agency firm** will begin business as such on November 1, when a partnership agreement becomes effective between Samuel B. Reed, of Reed & Brother, and Robert J. Dunkle, of Obrion & Russell, and Ralph Whitney, Mr. Reed's nephew. Under the firm name of Reed & Dunkle the new company will occupy the present offices of George O. Carpenter & Son at 71 Kilby street. The Reed and Carpenter agencies will retain their own individually. The new firm will represent the Springfield Fire and Marine, the Camden

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Fire, the St. Paul Fire and Marine, the Western of Toronto, and the New Brunswick Fire. Mr. Dunkle retains his interest as a partner in the firm of Obrion & Russell.

The Supreme Court of Mississippi has affirmed the decision of the jury in the appealed case of Mrs. Laura Hyde against the Home Life insurance company, involving the **suicide clause.** Justice Mayes, in passing on the case, briefly stated that there was no reversible error, the gist of the case being that a son of the appellee had taken out a policy for $2,000, and that within the year, notwithstanding the saving clause contained in the policy, he had committed suicide, and the settlement was contested on that ground. The jury had properly found for the plaintiff, and in the opinion of the court the finding was right, which meant an affirmance.

The Missouri Insurance Department had delayed the issuance of a license to the **"Great American Life insurance company"** of St. Louis because part of its cash was borrowed from the National Bank of Commerce on notes given by stockholders in part payment of their shares. The Insurance Department held that if the bank was compelled to foreclose on the notes it would be forced to take the stock pledged as collateral, which would conflict with a ruling of Attorney General Hadley against one corporation holding stock in another. This objection has now been removed, it is reported, by arrangements to have third parties carry the stock.

A San Francisco dispatch to the *Journal of Commerce* says that C. J. Stovel, of the Associated Underwriters, general agents on the Pacific Coast for the New Brunswick, Jefferson and North River, is engaged in **forming a fire insurance company,** with authorized capital of $2,000,000 and a paid up capital of $200,000, to be organized under a Canadian charter. It is expected that one-half of the paid stock will be taken by San Francisco interests, and the balance by a number of smaller Canadian companies now writing surplus lines in the United States. Mr. Stovel expects to act as general agent for the United States, with headquarters at San Francisco.

Plans of **Chicago's high pressure water system** have been completed. The cost, $2,500,000, is not as insurmountable an obstacle as the depleted condition of the city treasury might indicate. More than 40 per cent. of the property owners whose holdings would be affected by the new system have expressed themselves as favoring a special assessment to defray this cost. Mayor Busse's joint committee returned from New York last Sunday after viewing a test of the recently installed fire apparatus there. The committee is enthusiastic in its praises of the New York system, but has many improvements to suggest for the Chicago one.

The resignation is announced of Leslie J. Tompkins—recently elected a member of the board—as a director of the **Mutual Savings Life Insurance Society,** after giving it as his opinion that the members of the board were only de facto directors. At the meeting of the board on Thursday it was decided to reinsure the business of the society in the Columbian National Life, that company, according to the statement of Mr. A. M. Best appearing in the press, having offered a bonus of $7,000, which is to be used in reimbursing claimants for moneys advanced to promote the Fellowship of Solidarity.

The first fall meeting of the **Insurance Society of New York,** held at the rooms on Liberty street Tuesday evening, was a record breaker for attendance. The talk of Fire Marshal William L. Beers, of Brooklyn, which was illustrated by stereopticon views, aroused considerable interest, and at the conclusion of his remarks he was tendered a vote of thanks. Mr. Beers explained the difficulty of securing convictions under present laws owing to the evidence available in most cases. The slides showed the care exercised by fire bugs to make their work effective.

Legislation for **compulsory accident insurance of employees** in Wisconsin is foreshadowed by Secretary of State Frear, who, in a campaign speech, says:

Wisconsin will continue its progressive legislation. The law that will compel every disturbance of labor conditions to be subject to compulsory investigation will present the facts to the public. The best remedy for strikes is publicity, showing just where the fault lies. One other law that will be of great importance to labor is proposed for the next session. It contemplates compulsory accident insurance of employees. Such a law will prevent the waste of incalculable sums in litigation, give to labor an assurance of some compensation for injuries suffered and will protect the employer by fixing an absolute liability that can be provided for under the law.

The former secretary of the Missouri Republican State Committee, James McCoy, is to be president of the **Colonial Life insurance company of St. Louis,** now being organized with $500,000 capital. Of this $200,000 is to be paid in cash, the balance in notes. The company is to take over the business of the Industrial Benefit Association, an assessment company which has been doing a life, sickness and accident benefit business for several years. The Colonial is to be a legal reserve company with industrial and accident departments.

The **Jefferson Fire insurance company of Philadelphia** will discontinue its New England general agency on November 1. H. E. Fairfield, the general agent, will continue as local agent only for Boston and vicinity. The Connecticut territory of the Jefferson will go to G. Burgess Fisher, Jr., of Hartford, secretary of the George F. Fisher Company. George E. Hill, of Manchester, N. H., will establish headquarters in Boston, as special agent for Massachusetts and Rhode Island for the Crum and Foster companies and the Jefferson.

The **Connecticut Fire** has been notified by the Tennessee Insurance Department that its license will be revoked in that State unless J. A. Blackburn, agent of the farm department at Cleveland, Tenn., is discharged, according to news reports from Nashville. Press dispatches from Hartford, however, quote the home office as denying that any such communication had been received from the Insurance Department. Charges of twisting farm policies were preferred against Blackburn by the Tennessee department.

The twenty-fifth anniversary of the organization of the **Underwriters' Association of New York State** will be celebrated on Tuesday, November 10, by a reception and banquet at the Waldorf-Astoria. The reception will begin at 7 o'clock, and the dinner a half hour later. The reception committee is composed of the following: F. E. Burke, F. W. Bauer, R. P. Barbour, J. M. Carothers, F. L. Curtis, T. L. Farquhar, E. H. Hornbostel, E. S. Jarvis, A. A. King, R. G. Potter, W. C. Roach and C. M. Tobin.

The Supreme Court of **Oklahoma** has upheld the **non-waiver agreement** in the case of Gish, Brook Company vs. the London and Lancashire. The company denied liability on an alleged violation of the iron safe and inventory clause, but adjusted under a non-waiver agreement. The assured claimed that this waived its rights, and a former insurance commissioner of Oklahoma attempted to force the company to settle in advance of a decision of the Supreme Court.

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Companies writing **automobile floaters** have made a slight increase in rates, and have added a deductible average rider, the insured being required to deduct 7½ per cent. of the latest list price of the machine from any claim for collision damage before the company becomes liable. Under the old form the assured was usually required to pay the first $25 of any claim, and it is charged that claims were being padded to bring the loss above the minimum amount.

At the dinner of the **Life Underwriters' Association of New York** in the Café Martin on Tuesday evening, Charles Jerome Edwards, recently re-elected president of the national assosociation, was the guest of honor, and made a fine address. Among the other speakers were President Robert H. Hardy, of the New York association, and Vice President George H. Gaston, of the Metropolitan Life. There was a full attendance of members, and much enthusiasm.

The **Prussian National** of Stettin has appointed Harold W. Letton **United States manager** to fill the vacancy caused by the recent death of his father, Theodore W. Letton. He was appointed assistant general manager last year, while the senior Mr. Letton was disabled by illness, and has conducted the business of the company in this country so successfully that its future has been entrusted to his care.

A **self confessed firebug,** Leroy Noyes, has been arrested at Boylston, Mass., by the police, charged with incendiarism, which has cost his employer, Montreville Flagg, considerable money. A number of suspicious fires have been set on the Flagg place in the last six weeks, for which it is believed Noyes is responsible. In one of these fires more than 60 acres of timber were burned over.

The **Interstate Protective Association** has been formed by bankers' associations in Wisconsin, Iowa, Minnesota and the Dakotas to protect its members against robbery. Expert detectives will be engaged, and in the smaller towns more efficient watchmen will be secured. The attention of the civil authorities will be interested along lines of closer co-operation.

The **Cincinnati Life insurance company** expects to begin business in November, and will confine its operations to reinsurance for the present. John G. Hoyt, former agency supervisor of the Columbian National Life, is president and manager, and George B. Cox, the Republican leader at Cincinnati, treasurer.

Losses on cotton at Alexandria, Egypt, are reported as amounting to $600,000 already this year, and an effort is being made to have automatic sprinklers installed in the big storage warehouses. The local agents are understood to oppose this for fear of a reduction of premiums.

A vest pocket edition, with rounded corners and flexible leather covers, of A. J. Flitcraft's table of **life insurance, cash dividends and net cost of insurance** for 1908, is handy for the soliciting agent to have. It can be procured from the publisher, Oak Park, Ill. Price, 60 cents.

The **Iowa State Fire Prevention Association** has been organized with J. W. Warnshuis, of the Home of New York, as president; W. W. Waddell, of the Kemp General Agency, secretary and treasurer, and F. M. Rice, of the Des Moines, chairman of the executive committee.

Incendiary fires are becoming more serious **at Denver,** and a special force of police has been detailed to run down the fire bugs. The latest loss attributed to incendiarism is that on the Hungarian mill and elevator October 21, with a property loss of over $600,000, and an insurance loss of over $200,000.

The **Equitable Life** held an **agency celebration** in Louisville this week. Among the home office officials in attendance were George T. Wilson, second vice president; William Alexander, secretary, and W. E. Taylor and W. N. Eddleston, of the agency department.

On the strength of the report that Stephen W. Carr is not a candidate for reappointment as **insurance commissioner of Maine** when his term expires next year, the friends of State Senator Beecher Putnam, of Houlton, are urging him for the succession.

The annual meeting of the **Indiana State Board** will be held November 2. It is expected that J. Fitzgerald, of the Queen, who is filling out the unexpired term of H. B. Heywood, resigned, will be elected president.

According to F. H. Ross, of F. H. Ross & Son, agents, New York, he is engaged in the organization of a **new fire insurance company,** with $1,000,000 capital, and $1,000,000 surplus.

The **Keystone Fire insurance company** is being organized in Philadelphia, which is to have a capital stock of $250,000.

Des Moines, Ia., is under inspection by the engineers of the National Board of Fire Underwriters.

The **Austin Fire** of Dallas, Tex., has been admitted to Illinois.

Personal.

AGENCY APPOINTMENTS.

Ætna Indemnity of Hartford: Charles H. Phillips, agent for all lines at Syracuse, N. Y.

Ætna Life of Hartford: Adams & Boyle, of Little Rock, general agents for Arkansas for all branches, succeeding Dreenon, Schaffer & Co., of Kansas City.

Austin Fire of Dallas, Tex.: Haskell, Miller & Co., Cook County managers.

California Fire: Rice & Whitney, Boston agents for the company just admitted to Massachusetts.

Empire State Surety of New York: Pennsylvania Securities Company of Pittsburgh, general agents for all casualty lines for western Pennsylvania and West Virginia.

German-American and German Alliance: Ralph G. Potter, manager for central and western New York.

Illinois Surety of Chicago: J. F. Wood, agent at Indianapolis.

Keystone Fire of Philadelphia: Whilden & Hancock, of New York, managers for New York, western Pennsylvania and northern New Jersey.

Niagara Fire: W. T. Porter, Jr., special agent for Ohio.

Northern of London: George F. Guerraz, special agent in the Northwest.

Spring Garden: Brooks & Garden, agents for the territory of the New York Suburban Exchange.

Standard Accident of Detroit: W. L. Loranger, of Traverse City, manager for the northern portion of the lower peninsula of Michigan.

Dr. Walter R. Gillette, former vice president of the Mutual Life insurance company, was removed to the Roosevelt Hospital, New York, on Wednesday evening suffering from cancer of the intestines. In view of his advanced age and the serious nature of his ailment, it is believed that he cannot recover. Dr. Gillette was taken to the institution by his son, Dr. Curtenius Gillette, of 4 East Forty-first street. He is under the care of Dr. Joseph A. Blake, of 601 Madison avenue, the well known surgeon, and is attended by special night and day nurses. Since his vindication by the courts Dr. Gillette has been quietly living at home. He is an innocent victim of the Armstrong investigation.

Mr. S. H. Wolfe declines to make an extended reply to the letter of President Bland of the United States Fidelity and Guaranty Company on account of its personal nature, adding: "I venture to hazard the opinion, however, that the insurance world is not as much interested in my personal affairs as it is in hearing about the insufficient loss reserves, altered records and other technical matters which were the subject of my special survey."

Mr. A. J. Haltiwanger, Jr., of Montgomery, Ala., has been appointed special agent of the Blue Ridge insurance company of Georgia for Alabama and

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Mississippi, relieving L. P. Goodrich, who will devote his entire attention to the affairs of the Florida Home insurance company. Mr. Haltiwanger has had experience in the fire insurance business with the Phenix of Brooklyn and South Eastern Underwriters' Association.

Mr. John King Van Rensselaer, a veteran fire underwriter of New York city, died October 16 after a long illness, aged sixty-one years. Mr. Van Rensselaer was president of the former Sterling Fire insurance company of New York.

Mr. John McCallan, who has had many years' experience in the local fire insurance field of San Francisco, has become connected with the insurance department of H. M. Newhall & Co. of that city.

Mr. Charles Burton, for many years local agent of the New York Life at Titusville, Pa., died at West Chester, Pa., of heart disease, on September 25. He was about sixty-five years old.

Mr. A. H. Grupe has resigned as Missouri special agent of the Providence-Washington to become manager of the insurance department of the Simpson & Groves agency at Kansas City.

Mr. Saxton S. Barrett, State agent for the Scottish Union and National in Kentucky, Tennessee and West Virginia, has resigned to enter another business.

Mr. Walter Miller has resigned as special agent of the Connecticut Fire in the mountain field to go with the Continental in New York State.

Col. William Macdonald, of San Francisco, general agent of the Westchester Fire for the Pacific Coast, is visiting the East.

Casualty and Surety Insurance.

Unusual accidents of the week are as follows: Stricken with vertigo while in a bathroom in a New York hotel, a man was choked to death by his false teeth, which had been jolted down his throat by the fall.

Taking insect poison in mistake for medicine, a woman was saved from death by the quick work of the hospital physicians.

While leaning out of her bedroom window to obtain more air, an asthmatic lost her balance and fell into the street and was killed.

Two boys who found a railroad torpedo along the railroad tracks, took it home and used it for a target in the backyard. As a result of the blow from the first stone thrown at it, an explosion occurred which fatally injured both the youngsters.

The captain of a barge jumped overboard to save his dog, which had fallen between the dock and the boat, and was himself crushed to death.

Mistaking a patrolman in plain clothes for a burglar, a Pittsburgh detective fired and killed his brother officer.

Because he ate rat poison which had been thrown into a barrel, a six year old boy died a few hours later in terrible agony.

Poor eyesight caused the death of a woman who stepped too near the cook stove while preparing dinner and was burned to death before help arrived.

A doctor was cutting wood in his backyard when the axe struck a clothesline, and glancing off nearly severed his nose, and also cut a long gash across his mouth and chin.

Thinking his father was a burglar, a son killed his parent who had locked himself out and was trying to get in by a side window.

A baby who was thrown from a third story window during a fire panic, struck so hard on a mattress as to be fatally injured.

A bursting steam pipe caused the death of four members of the crew of a barge on the Great Lakes, all being scalded to death at their posts.

Locked in a cabin on a scow lying at Erie Basin, the captain overturned a lamp, and being unable to get out was burned to death.

A Maryland girl was fatally poisoned by eating jimson seeds which a companion had given her.

In trying to drive a stick of dynamite into a hole with an axe, an Italian caused an explosion which blew off his head, arms and feet.

A second fall following one some time ago in which a woman had broken her arm in three places, caused the loosening of a ligament which had healed improperly formerly, and restored to her the use of the arm.

A laborer employed by the Pennsylvania Railroad in the construction of its tunnels under the North River, fell down a sand chute, and was smothered before he could be rescued.

A farmer threw a stone at a mule which had strayed into his yard, but the missile missed the mule and struck the man's two year old son, killing him instantly.

Escaping gasoline in a peanut roaster caused an explosion when the owner tried to light the affair, and he was severely burned about the face and eyes.

Becoming unconscious from fright when she heard a burglar trying to gain an entrance into her store, a woman died a few hours later.

Dreaming that he had been fighting with a burglar, a Delaware man awoke to find himself covered with blood from deep gashes he had received from flinging himself against a nearby window in his sleep.

A New York man was suddenly stricken blind while passing a police station, no cause being apparent.

While winding wire on a large spool as it came out of a tempering machine, a laborer caught his arm in the wire, and before the machinery could be stopped that member was broken in many places.

Some interesting thoughts on **accidents, their origin and number,** are given by a writer in an English paper, the *Manchester Ideas.* After remarking that an ingenious Frenchman in 1890 calculated that there were 17,500 different ways of getting off the earth, the author hazards the opinion that the advance of civilization and progress has now increased the figure to 52,500. Statistics prove that 1,700 people die every year through swallowing things, such as pins, needles, studs, buttons, pieces of bone, unmasticated meat and false teeth. This is due to hurry. In London alone there are 4,000 street accidents per month. These accidents arise almost entirely from the anxiety of the populace to get there quick. There is no other reason why cabs, motors, bicycles, carts, tram cars and parcel vans should go dashing along, hurling pedestrians to right and left, cutting off arms and legs, and filling the hospitals with casualty cases. To keep up with the demand triumphant science is always devising apparatus to save time and accelerate speed. Take electricity, for example. You often read in the papers that somebody has died suddenly through touching a live wire. Doctors all agree that this is the quickest death ever invented. And, as electricity now plays so large a part in modern life, it is satisfactory to know that if anyone of us should happen to come in contact with a live wire there is no delay. We are hurried off at top speed. It is quicker and more reliable than chloroform—a fact which apparently was not known to the chief actor in this tragedy: "After chloroforming two cats a West Hampstead artist killed himself by the same means." We are not told why the deceased artist did it. Probably it was because this age is in too great a hurry to patronize art. Or it may be that he was so worried by the danger of being alive, and the endless possibilities of being knocked down, blown up or otherwise cut off by violence that he chose a safe and easy way out of it. Statistics prove that home is a dangerous place. Progress and the desire to equip ourselves with conveniences have undermined home with deadly wires and pipes, gas that may explode and boilers that may burst. And, agreeable to the demand for hurry, houses are now run up by the jerry builder at such a speed that they are capable of coming down with equal celerity. Walls or ceilings may collapse at a moment's notice, chimney pots may crash through the roof, or the flooring subside and launch you hurriedly into the cellar. Consequently it is proved by fig-

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ures that you are a lot safer in an express train than at home.

A circular has been issued by President Walter Le Mar Talbot, of the **Philadelphia Casualty Company,** regarding the impairment of the company's capital, as shown by the examination by Actuary S. H. Wolfe on behalf of the West Virginia Insurance Department, which, according to President Talbot, amounted on September 30, when the change in executives occurred, to $12,000, and he states was due to too much business being written by the company to be properly cared for under its present financial condition. President Talbot also states that the company's current needs will be immediately provided for by the deposit of $150,000, and outlines plans for the Philadelphia Casualty's financial rehabilitation, which, he says, will provide ample capital and surplus. The conclusion of President Talbot's statement is as follows:

Actuary Wolfe, in his report to the Insurance Commissioner of West Virginia, after referring to the handicap of the company the past year, stated: "The present management has taken hold of the situation with firmness, and in all of its treatment with you and your representatives a spirit of absolute frankness and fairness has prevailed. In my opinion the company should be given a reasonable time in which to make good this impairment, for it must be borne in mind that the interests of the policyholders are not jeopardized at the present time, owing to the existence of the capital stock of $300,000, which for the present is sufficient to protect their interests." We should have preferred not to make a statement until we could speak definitely on all points, but we recognize that agents and policyholders, as well as the insurance departments, should be protected against unjust inferences and against those who traffic in adverse reports without proper information. We have, therefore, concluded, pending the full and complete report of the Pennsylvania Department, which is making a most thorough investigation, to give the above information without delay, trusting that all concerned will appreciate it and co-operate with the management in the upbuilding of the company.

Some interesting **statistics** showing burglaries and attempted **burglaries on banks** in the various States for a period of five years past have been compiled by P. W. Koch, manager of the burglary department of the Empire State Surety of New York. The table shows the burglars' operations in every State beginning with 1903 and ending with 1907. Illinois leads with 62 in the five year period, and Minnesota is not far behind with 41. Nebraska had 39, Oklahoma 34, Missouri 32, Kansas 30, Indiana 24, and South Dakota 22. There were twelve burglaries or attempted burglaries in New York, while in New Jersey only two bank burglaries occurred in five years. Arizona, the District of Columbia, Idaho, Louisiana and Nevada had a clean slate, while in Alabama, Mississippi, New Hampshire, Rhode Island, West Virginia and Wyoming, one break each is recorded. The table would seem to show that bank burglaries have been steadily decreasing in the last five years, with the exception of 1907, the totals for which are larger than would be expected, in view probably of the fact that the panicky times threw men out of work and recruited the bands of yeggmen who make a specialty of safe breaking. The attacks numbered as follows: 122 for 1903, 117 for 1904, 88 for 1905, 86 for 1906, and 97 for 1907, being a total of 510 in five years. The distribution of losses is particularly noteworthy.

The new **unlimited health policy of the Ætna Life** provides indemnity for disability occurring from sickness of almost any nature. A special sum is also provided for to be paid when a surgical operation is necessary. The insured will receive weekly the sum contracted for in case he shall be totally disabled and prevented from pursuing his usual occupation by reason of any disease or illness contracted during the term of the policy. Provision is also made for partial disability. The weekly indemnity is paid for fifty-two weeks under total disability and for twenty-six weeks under partial disability. Provided the insured is confined in a hospital the weekly total disability indemnity will be doubled for a period not exceeding twenty-six weeks. The insured will be paid a sum equal to the weekly indemnity for 200 weeks if he is rendered permanently and totally disabled through the loss of eyesight, or by paralysis, or by permanently losing the use of his hands or his feet or of one hand and one foot. The allowance for surgical operations is liberal, and the policy also provides for the cost of running the household during the illness of the insured. The warranties required of the applicant are of the simplest nature.

The "Commonwealth climax coupon policy" is now being placed on the market by the **Commonwealth Casualty of Philadelphia.** It is issued in amounts of from $1,800 to $6,000, carrying monthly benefits in case of disability by accident or sickness of from $30 to $100 per month. In case the principal sum becomes payable the payments are made in sixty monthly instalments. The party entitled to the indemnity simply clips off one coupon each month and forwards it for payment. To illustrate, suppose the policy to be for $6,000, the monthly disability benefits, whether the disability arises from accident or sickness, would be $100, and then if the $6,000 matured by the death of the insured, or by the loss of two limbs or two eyes, $100 per month would be paid to the insured himself or his beneficiary for sixty months from the date that proofs are furnished, and the collection of this $100 per month is made as easy as possible, because all that the party has to do to receive the $100 is to clip off one coupon each month and forward same through bank or otherwise for payment.

The **General Accident of Perth** is out with its "Simplex accident policy." In announcing the issuance of the new contract Manager Franklin J. Moore says that the policy was designed for the protection of the insured, and not for obtaining a lot of frills, such as beneficiary insurance for wife and children. He says regarding this subject:

We believe that as between $25 a week with trimmings of questionable value and $37.50 per week, clear and definite, ninety-nine out of a hundred men will take the latter and pay a little more for it. Also that $15,000 death benefit now against the same some six years hence by annual accumulations, will appeal to your client as being what he wants. * * Therefore we submit the "Simplex," confident that you will approve it, and that if you make the most of the opportunity it gives you will write more business than ever before. Double benefits—$15,000 death or dismemberment, $75 per week for 200 weeks. Single benefits—$7,500 death or dismemberment, $37.50 per week for 200 weeks. Premium, $30, sold only to preferred and select risks.

There is every prospect that the companies writing **bank burglary insurance** will get together in the near future with the idea of securing more adequate rates. No separate organiaztion is necessary, as the constitution of the Burglary Insurance Underwriters' Association provides for taking care of all burglary business. The matter of policy form is not apt to be considered, as there is a belief that the companies will be better satisfied to conform their individual policies to their own views and experience. As regards rates, demoralization is costly. Since the dissolution of the bank conference several months ago each company has been suiting its own convenience in this respect, and the effect on the business has not been particularly satisfactory.

Blanks have been sent out by the **United States Treasury Department** calling for complete **details** as to each **bond written** by any company, the penalty of which exceeds 10 per cent. of the combined capital and surplus of the company assuming the risk. Blanks are provided for each such bond, and full particulars are required as to character of bond; co-surety with names of companies and amounts shared in by each;

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reinsurance, including names of companies, dates of agreement and amounts covered; collateral held, giving complete description of same and how held; conditions of joint control, including date of agreement for deposit or conveyance of property, current market value of property, and how same was ascertained.

The meeting called for Thursday by President Joyce, of the National Surety of New York, at which matters affecting **fidelity and surety reserves** were to be considered, was largely attended by the presidents of the various surety companies. The topics suggested by the fidelity and surety committee of the National Convention of Insurance Commissioners, printed last week, were duly considered, but no report on the matter will be given out by the surety men previous to the commissioners' committee meeting on November 9. All of the companies have been invited to send a representative to the meeting, and to notify the committee on the topics upon which papers will be submitted, and those which will be treated orally.

The **dynamiting** of a **building** to arrest the spread of a fire **cancels** the **plate glass insurance** on the risk, according to a recent decision of the Kansas City Court of Appeals in the suit of Alvin C. Frisbie against the Fidelity and Casualty of New York. Frisbie carried insurance on the plate glass of his store windows in Hale, Mo. On September 1, 1906, there was a fire in the town. To prevent the spread of the flames the building was dynamited and the glass broken. Suit to recover $80, at which the store front was valued, was decided in favor of the insurance company in the lower court, and this view is affirmed in the decision handed down by the higher court.

The Empire State is pushing its new **death and dismemberment policy,** which covers capital loss resulting from bodily injury within ninety days from the date of an accident, regardless of total loss of time. It covers also loss resulting within four years after continued inability to perform any or every business duty or occupation ensuing from the date of an accident to date of such loss. One-half, instead of one-third, is paid for the loss of an eye, and in addition to the usual double indemnity features, indemnity is paid for injury from a stroke of lightning. An allowance of $100 is made also to place the insured in the care of friends when injured.

A meeting of the **Burglary Insurance Underwriters' Association** was held on Tuesday in the offices of the New Amsterdam Casualty. The resignation of the Massachusetts Bonding of Boston was received and accepted. Outside competition was discussed, and a committee of three was appointed to devise a plan of meeting it. This committee will report at an adjourned meeting to be held on November 10. It is probable that the London Guarantee and Accident will join the association in the near future. F. J. Walters, the company's New York manager, was present at the meeting Tuesday, at which fifteen companies had representatives present.

The figures estimating **burglary and larceny losses** in New York city as being $15,876,000 yearly, are not taken very much to heart by burglary men on the "street," who claim that the statistics are by no means accurate. One well known burglary manager said that flat and mercantile losses during 1908 had not been unduly heavy according to the experience of his company, but that thefts from wagons of goods in transit and highway robberies had been very frequent. Still it is believed that companies writing residence burglary will in the main report a loss ratio of from 40 to 45 at least, which allows very little for underwriting profit.

The appointment has been announced by the Ætna Accident and Liability of Albert Spitzer as **plate glass surveyor** attached to the New York office. He will be purely an outside man to inspect risks. Mr. Spitzer was connected with the New York Plate Glass for eight years, and was also in the employ of the Maryland Casualty for about three years. The Ætna Accident and Liability began writing plate glass business on Monday of this week. No plate glass manager has been appointed yet, though several names are under consideration.

The St. Louis school board has given its **boiler insurance line** to the Fidelity and Casualty at an $1,800 premium for three years. This is an increase of $500 over the last contract. Several companies have recently entered the boiler insurance line, which claim that they were barred from competition by a clause in the specifications, which provided that bidders must have written not less than $100,000 a year in premiums for three years to be eligible to compete.

The fact that the **capital of the Ætna Indemnity** has been reduced one-half and the amount added to the surplus fund has been announced to the stockholders, who are requested to turn in their certificates to have the necessary changes made. The former capital stock of $500,000 has been cut in half.

The Ætna Indemnity is on the **bond** of the **treasurer of San Francisco,** in whose office expert accountants have discovered a shortage of $60,000. The bond is for $100,000.

A meeting of the executive committee of the **International Association of Accident Underwriters** will be held on November 10 at Hot Springs, Va.

The **Pacific Coast Casualty** is now writing liability insurance in Chicago, in addition to plate glass and burglary lines.

The **German Commercial Accident of Philadelphia** has applied for admission to Tennessee, Kentucky and Louisiana.

The **United Surety** of Baltimore will shortly add an accident and health insurance department.

The **Ætna Accident and Liability** has joined the plate glass association.

Insurance Legislation.

Complete copies of all important bills in the legislatures affecting insurance are on file in the office of THE WEEKLY UNDERWRITER.

Vermont.

MONTPELIER, October 28.—Mr. Sherwin has introduced in the House "An act relating to fire insurance losses," which is a valued policy bill.

Mr. Gleason has introduced in the Senate a bill to repeal Section 4818 of the Public Statutes, which prohibits the payment of brokerage commission to insurance agents.

The bills have been referred to the insurance committees of the respective houses.

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Miscellany.

Is the United States Fire Business Worth Keeping?

(The Review, London.)

British pioneers in the cultivation of American fire business realized, at the outset, considerable profit from what was then a new departure. More reasons than one have been suggested for this fact, when it is contrasted with present experience, but the favorite explanation is that the early bird naturally secured the choicest worm. Not having to encounter any serious opposition, beyond that of some slenderly organized native companies, the advance guard from this country was astute enough to appropriate the cream of the business. Physical and moral hazard alike were of the best, and, as the pioneers were clever enough to secure so unexceptionable a class of business, so they were wise enough and strong enough to retain the bulk of it against all comers.

No doubt there is something in that explanation, but it is impossible to ignore a still more influential factor in the changes brought about by half a century of progress. These changes have affected the commercial interests of every civilized country, and perhaps, most of all, those of the United States. There matters advance with giant strides in every sphere of life. At the time when our companies began to exploit the American field all classes of business, there and elsewhere, were worked with a deliberation which would seem marvelous to today's go-ahead generation. Other companies—some of them, perhaps, not too well equipped—made haste to follow the pioneers in an adventure, which, on the face of it, looked profitable, but they found they were too late to ride in on the crest of the wave. For them were reserved the mere dregs; their lines were laid in times of feverish competition, lightning methods, new and untried inventions, incessant change, street congestion, and to these were more recently added the appalling earthquake hazard.

One can easily understand why even the most fortunate companies should now regard reconsideration of their position as opportune. Experiences such as have recently fallen to their lot are well calculated to "give them pause." Conflagrations, which may, at any moment, sweep away a large proportion of the accumulated profits of years, and which drive even substantial companies to the adoption of doubtful remedial expedients, cannot be disregarded, and it is not difficult to understand the point of view of the company which declares that this is "not good enough," and decides to withdraw from a position which, in its view, is untenable.

But it is needless to say that all companies transacting American business do not think alike. There are good reasons to believe that most of them, notwithstanding recent bitter experiences, are content, so far, to continue in their present course. It is argued that it is a peculiarly complicated and tedious matter to get rid of a large American business. It is maintained that the average results, over a long period, have been profitable, and that, although these may fluctuate from year to year, bad years have always been followed by good years, which recoup the losses of their predecessors; in short, however disastrous may be the experience of any individual year, such are the recuperative powers of our great companies that the loss is speedily overcome, and the company goes ahead without any noticeable diminution in its resources. This argument doubtless holds good in the case of our greatest companies, a fact which is evidenced by the progressive, although intermittent, increase of the funds; the bulk of which is, after all, derived chiefly from American sources. It is contended by some that the conditions of American fire business tend to improve every year, but of this there is no clear evidence.

It is admitted, of course, that any day may produce an unparalleled disaster in America, and, should such a catastrophe happen, it is clear that the situation would be entirely changed. But, at all events, there are British companies—although the number is small—which are strong enough to await the realization of that possibility with comparative equanimity. At the same time it must be admitted there are others, which, although perfectly safe for their home business, may be considered even rash in continuing to expose themselves to so grave a risk. When a limited section of a company's business is unprofitable it is considered *en regle* to cut it adrift, but, as we have pointed out, the same rule cannot conveniently be applied to the business of a vast region like the United States of America. But it is possible, and might, in some instances, be advantageous. Meanwhile, it hardly falls within our province, as outsiders, to tender advice to any company. Each is the only competent judge of its own potentiality. We make no attempt, therefore, to give an indiscriminate answer to the question with which we started. But we question whether more than a mere handful of British companies—and these the strongest—can afford to face another conflagration, unless it should be postponed for many years to come.

The Provident Savings Life—Report of an Investigation of the Management by the New York State Insurance Department.

The Insurance Superintendent made public this week the report of an investigation of the management of the Provident Savings Life Assurance Society since December 2, 1907, the date that the society was ordered to cease writing new business, made by the Department Examiner Nelson B. Hadley. The following is Mr. Hadley's report:

Since the beginning of this investigation the control of this company, through ownership of a large portion of its stock, has changed hands. The new management, so far as I am able to ascertain, is composed of reputable men who have been successful in the past in different avocations, and their ability and integrity should do much to bring the company up to a position where it can again write new business.

At the time of the last report made the company was impaired to the extent of $414,601.88, on the basis of the actuaries' experience table of mortality, with 4 per cent. interest on policies written prior to January 1, 1901, and American experience table of mortality with interest at 3½ per cent. on policies issued since January 1, 1901, while a surplus of $154,398.12 was found, using 4½ per cent. interest basis for all policies. This was the condition of the company on September 30, 1907, the date to which the financial condition was brought. The market values as of December 31, 1906, were used also in this report.

SURPLUS INCREASE SHOWN.

According to the testimony of Henry Moir, the actuary of the company, up to June 30, 1908, the company had, if the bonds were taken at the values, made an improvement of nearly $200,000. However, taking the bonds at the market quotations of June 30, the actual improvement is about $140,000, thereby reducing the impairment to about $270,000, and increasing the surplus on the 4½ per cent. basis to about $300,000. This would indicate that there had been a decided improvement in the condition of the company. This, however, in spite of the extravagant management of the so called Philadelphia syndicate. Their own testimony shows that their only object was private gain, regardless of the interests of the policyholders. This is shown in the case of Mr. Terry, who was selected by them as one of their directors.

This man, who was shown by the records of the company as being uninsurable, was given several months' insurance without any compensation to the company. This is shown by the minutes of the meeting of the finance committee, copies of which are filed with this report. The violation of the law of this State was done secretly and while the members of the committee were in the jurisdiction of the laws of another State undoubtedly to cover up their misdeeds.

SALARY LIST CRITICISED.

The voting and paying of a salary at the rate of $18,000 a year to the vice president is another case where there cannot be too severe criticism of the motives which actuated this management, and is but the natural sequence where unscrupulous persons secure the management of the funds of a life insurance company.

Mr. McSorley, the vice president of the company under this management, showed in his testimony not only his ignorance of the company's business and insurance business generally, but he stated on oath that he "could not say that he did anything" as vice president of the company. The testimony of Coyle, Brumm, McSorley and Grady, which is filed, shows that they had no conception of the duties of trusteeship involved in life insurance management.

McSorley was paid $750 as salary for vice president for the first half of April without any authority from the board of directors. Whether the payment of this salary to Mr. McSorley without first being voted by the directors is a violation of the law is herewith submitted for your consideration. This Philadelphia syndicate, so called, has been wholly eliminated and can have no further influence upon the future of the society.

The present management of the company has, so far as I am able to judge from its actions since obtaining control, been working for the best interests of the policyholders, and I doubt not that they will endeavor to bring the company to a safe and satisfactory financial basis. Large economies have been effected, as

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shown by the testimony of Mr. Langham, and assurance is given of further economies when practicable. The interests of the society are safeguarded by the men who have accepted the tasks as directors, and I have no doubt that they will devote their best efforts to placing the company in a position where it can again invite the public to purchase its contracts.

The greatest problem before the company is still the proper working out of its real estate. This, together with the economical management, should maintain the confidence of the policyholders in the integrity of the company.

I file herewith copies of the proceedings of the board of directors, and also of the finance committee, since September and October of last year, together with the testimony of Messrs. Coyle, McSorley, Brumm, Grady, Moir, Langham, Hubbard, Lockwood and Dr. Fisk.

A British View of Liability Insurance in the United States.

(Contribution to the Post Magazine, London.)

The United States of America have not as yet followed the lead of European countries in determining, or attempting to determine, by means of legislation similar to our workmen's compensation act, the liability of the employer in regard to personal injuries to his employees. This liability is practically governed by that common law which has descended from the old English common law, although acts defining "negligence," more particularly directed at railways, have been passed by various States, while New York and Massachusetts have each an employers' liability act, drafted to a great extent on our employers' liability act of 1880. The insurance of this and other phases of liability for injuries to person and property is provided by some fifteen native, one German and five British offices. The proportion of the latter may incidentally be regarded as evidence of British enterprise and of the favor in which the American insuring public holds the conservative methods of British companies. Some idea of the growth of liability insurance in the United is conveyed by the fact that, while for the ten years ending with 1896 the total premiums reported by all companies amounted to $21,000,000, in the subsequent decade to 1906 they had increased to considerably over $100,000,000.

Each one of the United States has its own governmental department for the regulation and supervision of insurance interests. It reserves the right to admit or exclude any corporation organized in a foreign country or in another State, and the department is maintained by a tax of 2 to 3 per cent. of the premiums collected in the State, in addition to entrance dues and a yearly license for all agents. Somewhat exacting conditions are imposed on extraneous companies; but, with one exception (Ohio), any State in which there are fair prospects of business is content with the ruling, in this respect, of the Insurance Department of the State of New York. The compliance of the petitioning company with the requirements of this body and the lodging of the statutory deposit ($200,000 to $250,000, according to the classes of business to be transacted) will insure its admission to practically every State of the Union with the aforesaid exception. The methods as well as the status of all companies are closely watched, and the majority of the insurance departments require from each, at the close of the year, a statement, rendered on a prescribed form, which discloses very minutely its financial position. The compulsory publication of these returns is an obvious safeguard to all who seek insurance.

The most important legislation of recent years may be said to be the enactment of the loss reserve laws of 1905 in the States of New York, Massachusetts, Illinois, Connecticut and California. The provisions of these statutes are almost identical and are in substance as follows: Every company, in its annual financial statement, must provide reserves for all outstanding notices of accident received within eighteen months, and for all suits and actions pending on account of accidents reported prior to eighteen months, on the basis of factors evolved by its experience in claim settlement over a period of five years, constituting the first half of a period of ten years preceding the date of the statement. The experience evolving the said factors must be rendered annually by the companies which have been operating for ten years. Those of more recent establishment are bound to provide their loss reserves in a similar way, the factors being supplied by the insurance department as the result of the combined experience of all the companies writing liability insurance in the State. The justification of these statutory requirements, more especially in regard to the provision for unsettled suits, will be recognized in the fact that at December 31, 1907, the nine companies having an experience of ten years or more reported as outstanding: Suits under policies 5 years old, 377; ditto, 6 years old, 204; 7 years, 102; 8 years, 42; 9 years, 23; 10 years old and over, 46. That is to say, the suits are respectively of 5, 6, 7, 8, 9 and 10 years' standing, as liability policies in America are not renewed, but rewritten each year.

In the matter of rating the liability underwriter in America is influenced by many conditions essentially peculiar to the country. In the first place, each State has its own laws of labor and of tort. The hazard varies in accordance with these, with the prevailing industries, and, to no small extent, with the temperament of the people. For instance, the rates in Illinois are affected by the labor agitation in Chicago and the socialistic tendencies of juries in favor of the injured party. In Colorado, Montana and other gold and silver mining States, the hazard is increased by verdicts inflated by the costliness of the ordinary necessaries of life. The West, from the underwriters' point of view, is generally worse than the East, but one circumstance or another has the effect of creating a considerable difference between the rates of one State and those of its neighbor. The claim ratio is developed by the congested condition of certain law courts, rendering the settlement of a suit a tedious and expensive matter, especially having regard to the growing knowledge of persons claiming compensation that companies will in many instances, for the aforementioned reasons, pay rather than fight. Added to these burdens is that of the speculative attorney, very much in evidence in many industrial centres, and steadily increasing in number.

Although liability rates are based on sound mathematical theories, there is nothing as yet constant in the statistics (where they are available) except in connection with the more important trades, and the catastrophe hazard is, of course, unevenly distributed. Owing to the lack of width in the experience, underwriters have grouped kindred industries into schedules, and the rating of each risk is to an extent governed by the results shown in the schedule in which it is placed. This plan is also an aid in dealing with the various conditions calling for a different loading of the pure premium. All employers' liability rates in the manual are therefore raised to a fictitious height and are operated on by a supplementary "schedule of differentials," setting forth, in respect of each manual group, the discount applicable to each State. The standard rate book was compiled some years ago under the auspices of an association of the leading casualty companies There is, however, no longer any co-operation among them in regard to rating or pooling of experience, and the extent to which they are now influenced by the manual is a question into which it is not proposed to enter here.

Signs are not wanting of an early general agitation for legislation on the lines of "workmen's compensation." Federal supervision of insurance has long been advocated, and the adoption by all the States of uniform laws clearly defining the employer's position and the limit of his liability to injured workmen would in most cases be welcomed, although it should be borne in mind that liability to third parties in various shapes and forms is no inconsiderable part of the scheme of casualty insurance in America.

The British offices engaged in liability underwriting in America, in the chronological order of their admission, are the Employers' Liability Assurance Corporation, the London Guarantee and Accident Company, the Ocean Accident and Guarantee Corporation, the General Accident, Fire and Life Assurance Corporation and the Norwich and London Accident Insurance Association, the advent of the last named being as recent as 1907. The policy forms in general use by these and the native offices are designed to cover manufacturers', employers' and general (third party) liability; contractors', employers' and general liability; property owners' and tenants' general liability; vehicles, including automobiles; contractors' contingent and owners' contingent liability; elevators; vessel employers' and public liability, and theatre liability. Closely allied to these contracts are those of steam boiler insurance, flywheel insurance and workmen's collective insurance, the latter being in the form of a "blanket" policy taken by the employer in his name for the benefit of his employees The premium is sometimes paid entirely by the former, but as a rule it is contributed wholly or in part by the workmen, and can be extended to cover them during the twenty-four hours.

The American liability underwriter has his full measure of difficulties to contend with, but in the majority of instances he has achieved notable success. This is especially reflected in the present financial status of those companies which have refrained from "plunging" and which, prior to the 1905 legislation, made ample provision for their deferred liability under long outstanding suits Let it be said in conclusion that, although nearly every native company is earning handsome profits for its stockholders, not one can boast a position of assured strength and prosperity in advance of that of either of the three earliest admitted English offices.

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The "Indescribable Havoc" Wrought to the Domestic Companies by the New York Life Insurance Legislation.

The New York *Times* prints an interview had with President Kingsley, of the New York Life insurance company, on the effects of the Armstrong legislation on the New York State life insurance companies, in which he speaks of the "destructive principle" involved in Section 96 of the insurance law as having wrought "indescribable havoc" with them. The following are extracts from these interesting expressions of Mr. Kingsley's opinion on this legislation:

"You may have noticed in the published accounts of the sale of stock control of the Washington Life to representatives of the Pittsburg Life and Trust Company," continued Mr. Kingsley, "that it is said while the two companies will be kept separate both will use the same agencies, the Pittsburg company, being run on the mutual plan, will supply participating insurance, and the Washington Life, being a stock company, will supply non-participating policies. The agents will thus be able to offer both styles of insurance. In other words, the former custom of nearly all New York companies, which was forbidden by the Armstrong laws, is so desirable that two companies are to be operated as one in order to obtain it." * *

"You will note," Mr. Kingsley continued, "that the small companies are the first to suffer from this ill advised legislation, just as the large companies predicted would be the case. The Legislature attempted to handicap the large companies, and by grossly partial legislation did so with respect to new business and surplus. But when it came to limitation of expenses they were obliged to enact one rule for all. But you can't make unequal things equal by legislation—the weak continue to be weak and the strong continue to be strong. The Legislature could set a limit to the new business of the large companies, but it could not by any legislative jugglery make the small companies large or strong. This is what the Superintendent says of the bearing of the law on the small companies (page 31):

"'The limitation of expenses for new business, together with the foregoing obstacles (limitation as to policy forms), have been matter of complaints from representatives of the lesser domestic life insurance companies as a heavy handicap in sustaining their corporate existence, and as blocking the organization of new companies which, it is asserted, could not under the strict regulations pay their way until a volume of business sufficiently large to meet deficiencies has been acquired.'"

"You spoke just now of the limitation on new business," said the reporter. "Has that played any part in decreasing the amount of business done?"

"The Superintendent says not, or appears to say so, but on that point I beg to differ. He says on page 24: 'The limitation of the amount of new business that may be written during the year by a life insurance company has not been brought to the attention of this department except through comments of the press and private information. No company, apparently, has felt restraint from Section 96 to the present time.'

"What was the use of complaining to the department? The law was plain and no ruling was required—the companies simply had to keep within the limit, and laid their plans accordingly. I speak for the New York Life. During the four years ending with 1905—the year of the investigation—its new business exceeded $1,200,000,000, being over $296,000,000 in the latter year. The new law was enacted early in 1906 and took effect January 1, 1907. Naturally the officers of the company did not wish to go to jail, and they took instant measures to limit production. In 1905 we had 208 branch offices in North America and over 7,000 agents. We began the consolidation of branch offices at once, and now we have less than 100, and only about 3,500 agents.

"As you can readily imagine, many men could not earn a living under the new commission scale and they quit the business. Others left us and went to other companies. Many cashiers, clerks and other employees were of necessity arbitrarily dismissed. If life insurance agents had belonged to a trades union there would have been such fireworks as would have compelled the public to sit up and take notice, but most people look at it in this way—so much less spent for commissions—so much more for policyholders. But the insurance wasn't written—that's the point—and that's the loss to the community. Here was the New York Life, for example, with all the facilities for writing and taking care of $300,000,000 of new business a year. It had done it for four years. Now it is limited to half that amount. Do the smaller companies of the State do the other half? Not at all. They have hard work to live. One has failed and one has reinsured since the investigation; the stockholders of two others have had to put up money to make good an impairment of their capital stock. * *

"It seems very difficult," continued Mr. Kingsley, "for the press really to understand and correctly state the situation. For example, take your editorial in a recent issue of the *Times*. You said among other things: 'The New York companies will again receive all the business their merits entitle them to.' You overlook the fact that it isn't a question of merit. Section 96 of the insurance law has eliminated all question of merit. Under that section the new business of the active companies of this State in the year 1904 was $1,076,734,921, or $375,000,000 more than the amount which they could write now in any calendar year if every company wrote its full quota. What may be called the going concerns of this State are the Equitable, Germania, Home, Manhattan, Metropolitan, Mutual, New York Life, United States and Washington.

"If all these companies had written the entire amount which the law allowed in 1907 the total would have been $707,000,000. As a matter of fact no company wrote the limit of the law. No company dared to do so. And not only that, but the menace of that limitation, with other things, wrought indescribable havoc with the agency organization. But, if they had written the maximum, after deducting the terminations through death, maturity, surrender, purchase, lapse, etc., they could have gained only $191,000,000 in outstanding insurance during the year. The companies of other States actually gained $245,000,000, or $54,000,000 more than the maximum amount now possible to New York companies under Section 96. The *Times* should remember that the outside companies are not limited at all in the volume of their production. New York companies are cruelly limited. It isn't a question of merit. The question is—and the facts in the report of the Superintendent of Insurance of this State eloquently support the inquiry—shall the un-American, reactionary and destructive principle involved in Section 96 be allowed to remain on the statute books of this State?"

Law Makers and the Rage for Law Making.

(President J. M. Dickinson Before the American Bar Association.)

Against the passion of the American people for legislation as a panacea there is no defense. Each of those learned juridical philosophers who essayed it, seeing the futility of his effort, might have warned those entering the same lists, saying:

si Pergama dextra
Defendi possent, etiam hac defensa fuissent.

The trouble is inherent in the nature of our institutions. With the conditions as they exist the evil is incurable. While youth, inexperience and ignorance constitute no legal bar to political preferment; while manhood suffrage is the source of all governmental power; while so many of those most capable of ruling prefer selfishly their personal pleasures and private interests to the general welfare, so long will we suffer the maximum of burdens that come from unwise and unskilled legislation.

The most fertile fields for the culture of the pathogenic germ which we may classify as the legislative microbe are the brains of fledglings, who are gifted with a facility for speech which is often an open sesame to popular favor, luxuriate in a scanty knowledge of law, especially that which is statute, are opulent in an independence which comes from freedom from all family cares and business responsibility, and above all are fired with an ambition to do something, which, while it may incidentally confer a blessing upon their country, is primarily intended for their own promotion. Some measures must be fathered by them, the more sensational the better. Knowing but little of the trend of events, and the correlation of economic questions, they scan the recent statutes of other States, and without much regard for climate, environment, traditions, population, the great questions that enter into the development and conservation of the commerce of a country, and the conditions of their own State, forthwith reproduce them if they look formidable and are explosive in character, and proudly send them forth with their imprimatur.

While such legislative evil is incurable, and like a disease is inherited from age to age, happily the law maker sometimes reforms. Time and experience may broaden him, and after much expense to his country he may rise to a height from which he deplores the folly of those upon whom his mantle has fallen. If we could educate legislators, and keep them in office at least until the country could profit from their training and experience, or have them bequeath their heads to their successors, as Mirabeau lamented he could not do, in many instances we would not grudge the cost of tuition. But, like the weeds that with each recurrent year come up in the spring, a new crop of embryo statesmen, with no inherited experience, is always terrifying the country.

This is a part of the price for our institutions. We must take

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the evil with the good. If we cannot get the good at a less price then it is not too much to pay. If we could erect effective safeguards against such legislation this would no longer be a government "of the people, by the people, for the people," but a government of the aristocracy. As these conditions will not in our time materially change, we may as well view the situation with patience and in a philosophic vein, with no great hope of stopping the annual flow of unnecessary and unwise legislation. Like the brook, it will go on forever, or at least as long as our present form of government survives. The best that we can hope to accomplish is to bring about, as we have been doing with marked success, the enactment of uniform legislation in the several States. Our work will in the main be constructive. We can accomplish practically nothing in the way of restraint.

Much of our modern legislation is the outcome of a departure from principles which we have always regarded as fundamental.

Carl Schurz, in an interview with Bismarck in 1868, said that "the American people would hardly have become the self reliant, energetic, progressive people they were had there been a privy councillor or a police captain standing at every mud puddle in America to keep people from stepping into it," and that "in a democracy with little government things might go badly in detail but well on the whole, while in a monarchy with much and omnipresent government things might go very pleasingly in detail but poorly on the whole." This was forty years ago. From the least governed people in the world we are rapidly becoming the most governed people in the world. Our increasing commissions for almost every department of public affairs are making our government, State and national, the most comprehensive system of bureaucracy ever known. The complex conditions of our times in each of their diversified forms are given special treatment and administration. This is a prolific source of legislation, much of it in flagrant disregard of the best sanctioned and most venerated doctrines.

Insurance Co. of North America,

232 WALNUT STREET, PHILADELPHIA.
FOUNDED 1792.

Assets, January 1, 1907		$10,748,864
LIABILITIES—Reserved for Reinsurance and all other claims	$6,705,870	
Capital Stock	3,000,000	
Surplus over all Liabilities	1,042,994	$10,748,864

Agents in all the principal towns and cities.

CHARLES PLATT, President.

EUGENE L. ELLISON, Vice-President.
GREVILLE E. FRYER, Secretary and Treasurer.
HENRY W. FARNUM, Marine Secretary.
BENJAMIN RUSH, Second Vice-President
T. HOUARD WRIGHT, Assistant Secretary.
JOHN O. PLATT, Assistant Secretary.

Offices in New York: Fire, 51 William St.; Marine, 63 Wall St.

SAMUEL GANS, President
LEOPOLD GANS, Vice-Pres. & Gen'l Mgr.

SAMUEL GANS CO.

186-188 WOOSTER ST., N. Y.
New York Chicago Atlanta

Renovators of Fire and Marine Salvages

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Stocks handled at lowest percentage consistent with proper results, accompanied always with Cash Guarantee. Our methods fortify adjusters in advance of closing loss.

Always telegraph or telephone at our expense.

Expert advice cheerfully given.

EDWIN W. WILE, Resident Manager
Home Office: Chicago, 207-209 E. Madison St.

London Assurance Corporation,

CHARTERED A. D. 1720.

Surplus in United States January 1, 1907, $650,599.91.

CHAS. LYMAN CASE, Manager.

84 William Street. NEW YORK.

The New Policies

OF THE

ÆTNA LIFE INS. COMPANY

of Hartford, Conn.

are the most up-to-date and most comprehensive Life Insurance Policies to be had today.

THIRTY-ONE DAYS' GRACE IN PAYING PREMIUMS

MOST ADVANCED NON-FORFEITURE FEATURES

NO RESTRICTIONS AS TO RESIDENCE, TRAVEL OR OCCUPATION

Besides combining in one contract all the best features of all the best life insurance policies, the benefits of the NEW POLICIES of the ÆTNA LIFE are available to first-class risks if the insured becomes

TOTALLY AND PERMANENTLY DISABLED

Agents are wanted to work in both new and old fields selling these policies. For further particulars address the Home Office of the ÆTNA LIFE at Hartford, Conn.

FIREMEN'S

Insurance Company of Newark, N. J.

ORGANIZED 1855

CAPITAL,	$1,000,000.00
ASSETS,	4,701,068.80
SURPLUS TO POLICYHOLDERS,	3,148,371.45

DANIEL H. DUNHAM, President — CHARLES COLYER, Vice-President
A. H. HASSINGER, Secretary

WHITON & MERGES, Agents, . . 73 William Street, New York
LEWIS & FREAR, Agents, . . . 145 Montague Street, Brooklyn
H. W. BEALS, Suburban Agent, . 76 William Street, New York

Established 1782.

Phoenix Assurance Company, Ltd.,

OF LONDON.

FIRE INSURANCE ONLY. LOSSES PAID, OVER $135,000,000.
Head Office for the United States, 47 Cedar St., N. Y.
A. D. IRVING, Manager — LOUIS P. BAYARD, Asst. Manager
A. D. IRVING, JR., Sec.

[FIRE]

German American Insurance Company New York

STATEMENT JANUARY 1, 1908

CAPITAL
$1,500,000
RESERVED FOR ALL OTHER LIABILITIES
7,592,685
NET SURPLUS
4,415,353
ASSETS
13,508,038

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NOTICE

Insurance Losses and Claims for Damages amicably and satisfactorily Adjusted. Otherwise resisted, defended at Law or in Equity for Companies by

T. F. HANLON

ADJUSTER AND ATTORNEY

BALTIMORE, MD. Calvert Bldg. WASHINGTON, D. C. Colorado Bldg.

(Address Washington. 'Phone: Main 7132).

Twenty-five years' experience Member Bar U. S. Supreme Court.

GO ANYWHERE. OPERATE ANYWHERE.

The Connecticut Mutual Life Insurance Company

Stands alone among the American companies of any note, in having repaid to its members, their beneficiaries and estates, in annuities, endowments, death claims, surrender values and dividends, more than it has received from them in premiums. These are the totals:

Received since organization—1846	$249,356,745.45
Repaid as above noted	253,641,382.54
Excess over amount received	4,284,637.09
Assets December 31, 1907	65,003,271.10
Surplus December 31, 1907	2,326,657.25
Insurance in force December 31, 1907	174,716,005.00

President, JOHN M. TAYLOR.

That New Policy

AND THOSE NEW RATES AND VALUES

turn prospectives into policyholders. Highly liberal policy and values, extremely low premium rates, notable annual dividend record.

MASSACHUSETTS MUTUAL LIFE INSURANCE CO.

SPRINGFIELD, MASS.

INCORPORATED 1851

F. W. SMALLMAN, Manager of Agents for New York City, 1401 Empire Building.

1825. THE 1908.

Pennsylvania Fire Insurance Co.

OF PHILADELPHIA.

Cash Capital	$750,000.00
Reinsurance and all Liabilities	4,096,833.14
Surplus	1,615,283.97
Total January 1, 1908	$6,462,117.11

R. DALE BENSON, Pres. W. GARDNER CROWELL, Sec.
JOHN L. THOMSON, Vice-Pres. HAMPTON L. WARNER, Asst. Sec.
WM. J. DAWSON, Sec. Agency Dept.

INCORPORATED 1851.

Berkshire Life Insurance Company

OF PITTSFIELD, MASS.

All Policies issued by the Company are subject to the Massachusetts Non Forfeiture Law.

JAMES W. HULL, Pres. J. M. LEE, Actuary.
THEO. L. ALLEN, Sec. ROBT. H. DAVENPORT, Asst. Sec

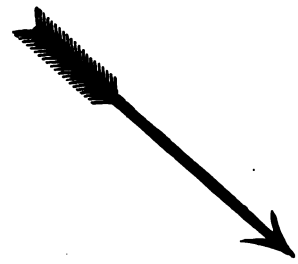
Agencies in all the principal cities of the United States.

OUR Course of Insurance Education Department for Furnishing Prospects, New "Model Policy," Will Plough the Field and Assure the Harvest for Good Agents.

Phœnix Mutual Life Ins. Co.

Write Home Office. HARTFORD, CONN.

ATTRACTIVE CONTRACTS



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Binghamton, N. Y.

"Prudential's Great Size, Tremendous Business, Absolute Safety and New Policy Make Competition a Thing of the Past."

That's the way PRUDENTIAL FIELD MANAGERS are talking about

The NEW Low-Cost Life Insurance Policy of The Prudential

The Greatest Success in Life Insurance!

We want Agents.
We want Managers.
We want YOU!

THE PRUDENTIAL INSURANCE COMPANY OF AMERICA

Incorporated as a Stock Company by the State of New Jersey.

JOHN F. DRYDEN, President Home Office, Newark, N. J.

COMMERCIAL UNION ASSURANCE CO.

LIMITED,

OF LONDON.

OFFICE:

Cor. Pine & William Sts., New York

ONLY THE MAN

with a Columbian National License may sell

Massachusetts Non-participating Life, Massachusetts Accident, Health and Disability

Liberal Policies backed by a Large Surplus

We want high grade men—General Agents, City Managers and District Managers. Save time by writing fully.

THE COLUMBIAN NATIONAL LIFE INSURANCE CO.

Home Office: 180 Federal St., Boston, Mass.

BRITISH AMERICA ASSURANCE CO., INCORPORATED 1833.

FIRE AND MARINE. Head Office: TORONTO, CANADA.

UNITED STATES BRANCH.

JANUARY 1, 1908

Assets	1,545,432.95
Liabilities	1,063,661.65
Net Surplus	$481,771.19

HON. GEO. A. COX, President. W. R. BROCK, Vice President.
W. B. MEIKLE, General Manager.

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Mutual Life Policies

ARE EASIEST TO SELL

BECAUSE

Yearly dividends have been increased for the last three years, 1906-7-8, at a rate equaled by no other company.
Cash values guaranteed in the new life and endowment policies are equaled by few companies.
Attractive features have been added to standard policy forms.
Liberal terms offered producing agents under the 1908 contracts.

For information, address

GEORGE T. DEXTER
Second Vice-President

The Mutual Life Ins. Co. of New York
34 Nassau Street, New York, N. Y.

1860 48TH YEAR 1908

HOME LIFE INSURANCE COMPANY

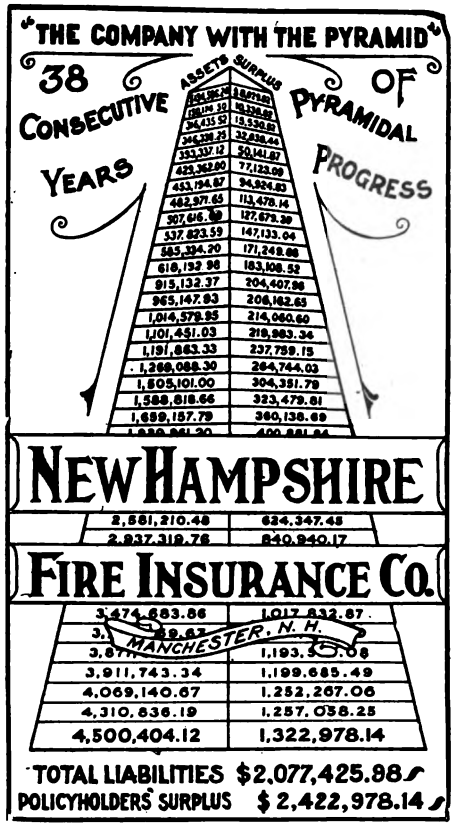
OF NEW YORK.

GEORGE E. IDE, President

ASSETS, $20,004,853.63. LIABILITIES, $19,235,418.20.
(Including Dividend-Endowment Fund)

Dividend-Endowment Fund (Deferred Dividends). $1,795,020.00
Net Surplus..... 769,435.43
Insurance in Force..... 86,193,296.87

The forty-eighth annual report shows a gain in the amount of insurance in force; that assets were increased nearly $1,000,000, and that over $300,000 was paid to policyholders in dividends.



THE Fidelity and Casualty Company,

97-103 CEDAR STREET, NEW YORK CITY.

Assets, $7,537,429.91.
Capital and Surplus, $2,013,400.24.
Losses Paid to January 1, 1908, $26,629,131.90.

This Company grants Insurances as follows:
Bonds of Suretyship for persons in positions of trust,
Fidelity Bonds, Burglary, Plate Glass,
Steam Boiler, Flywheel, Employers',
Public, Teams, Workmen's Collective,
Elevator and General Liability;
Personal Accident, Health
Physicians' Liability and
Bonded Attorneys' List.

OFFICERS:

GEORGE F. SEWARD, President.
ROBERT J. HILLAS, Vice-President and Secretary.
HENRY CROSSLEY, Assistant Secretary.
FRANK E. LAW, Second Assistant Secretary.
GEORGE W. ALLEN, Third Assistant Secretary

SURETY ON BONDS

Home Office Building, New York.

American Surety Company of New York

100 Broadway, - New York

Capital, $2,500,000

Bonds issued for Employees, Administrators, Guardians, and in Judicial Proceedings.

STATEMENT DECEMBER 31, 1907.

Resources (including Capital, $2,500,000)..... $6,365,342.47
Liabilities (including Reserve, $1,126,946.11).... 1,746,329.08

HENRY D. LYMAN, *President.* W. S. JOHNSTON, *Vice-President*

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THE
PENN MUTUAL LIFE
OF PHILADELPHIA
HAS FURNISHED
PERFECT PROTECTION AT PROPER RATES
For 60 Years
Our agents are representative citizens of their respective communities.

Union National Accident Co.
JAMES A. FLAHERTY, *Pres.*
This Company is now prepared to make contracts with high grade producers. Our up-to-date policies will prove to be easy sellers.
HOME OFFICE:
Manhattan Building, PHILADELPHIA, PA.

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HARTFORD LIFE
Insurance Company of Connecticut
GEO. E. KEENEY, President.
ALL THAT IS BEST IN LIFE CONTRACTS
EITHER TO BUY OR SELL
$30,000,000 Paid Policyholders and their Beneficiaries.

GERMANIA
FIRE INSURANCE COMPANY
NEW YORK.
ORGANIZED 1859.

Cash Capital	$1,000,000.00
Assets	5,185,649.51
Net Surplus	949,260.99

HEAD OFFICE
Cor. William and Cedar Streets.

SAFETY FUND INSURANCE.
NIAGARA
Fire Insurance Company
OFFICE:
135 & 137 BROADWAY. OF NEW YORK.

THE
Empire State Surety Co.
Executive Office: 84 William St., New York.
192 Montague St., Brooklyn.
General Surety Bonds Plate Glass
Liability Burglary
Boiler
Personal Accident and Health Insurance
OFFICERS:
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Moses May, . . } *Vice-Presidents*
Willard P. Reid, }
Walter J. Moore, }
R S Keelor, M.D. }
Daniel Stewart, . . *Secretary*
Alfred J. Hodson, . . *Ass't Sec'y*
Warrel S. Pangborn, . *Treasurer*
Hugo Hirsh, . *General Counsel*

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INSURANCE CO. OF NEW YORK
Home Office, - 47 CEDAR STREET
CHARTERED 1874
PLATE GLASS
PERSONAL ACCIDENT POLICIES
AND HEALTH
OF THE MOST APPROVED FORMS
EUGENE H. WINSLOW, President
DANIEL D. WHITNEY, Vice-Pres't S. WM. BURTON, Sec'y
ALONZO G. BROOKS, Ass't Sec'y
RELIABLE AND ENERGETIC AGENTS WANTED

North British & Mercantile
INSURANCE COMPANY,
OF LONDON AND EDINBURGH.
Established 1809.
OFFICE:
76 WILLIAM STREET,
New York City.

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The Weekly Underwriter:

AN INSURANCE NEWSPAPER.

ESTABLISHED 1859.

VOL. LXXIX. NEW YORK, SATURDAY, NOVEMBER 7, 1908. No. 19.

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CHARLES A. JENNEY, President and Treasurer. L. ALEXANDER MACK, Secretary.

AN illustration of the baneful and far reaching effect of unwise life insurance legislation is instanced in the announced intention of the Mexican Government to recodify the laws governing the supervision of life insurance in that country. It is stated that the laws of all countries have been studied for their best features, and naturally the Armstrong laws of New York were among those consulted. Even the iniquitous Robertson law of Texas, which drove so many companies from that State, has been drawn on for ideas. No one can tell what the outcome may be when a dangerous measure is put on the statute books of even one State. After the passage of the New York laws a copy of these laws, wise and unwise, was promptly introduced in nearly a score of legislatures with, fortunately, uncertain results. Some of the provisions of the New York laws ultimately became statutes of the other States, while others failed of passage for political reasons. Nevertheless the effect of this legislation was felt in nearly every State. The Canadian life insurance laws were doctored up with the Armstrong specific, and its effect was felt in life insurance legislation on the Continent as well. It is reasonably sure that certain features of the New York laws will be embodied in drafts of bills to be introduced in various State legislatures this winter. But just imagine how much pleasure Mexicans will find in disciplining American companies with American made restrictions!

AT the last session of the Wisconsin Legislature the State Tax Commission was directed to investigate the life insurance tax system and recommend to the Legislature at its next session such changes or amendments as would make the present method more just and equitable. The Tax Commission will hold a hearing at Madison November 11, and notices to this effect have been mailed to the companies now transacting business in the State. Except where the retaliatory law applies the tax upon foreign companies is merely nominal, being a $300 license fee. the burden being placed upon the domestic companies, the present law imposing upon the Northwestern a tax aggregating more than $1,000 per day. While for several years there has been a determination to adjust the tax on life insurance companies by placing it upon the same basis as that on which all other property is taxed—the present average State rate being 1.151 per cent.—the effect of the retaliatory laws upon home companies has had a restraining influence, and with but ten companies of other States continuing to transact business in Wisconsin, four of which are new and small companies, it is not likely that much interest will be taken in the proposed hearing, except by the domestic companies. The Insurance Commissioner sums up the situation in his report as follows:

> Unquestionably, taxation by a percentage on premium collections as applied under the present system is wrong. Practically all taxation in Wisconsin is upon the value of the property. Whether applied to the assets of domestic companies or the reserve of Wisconsin policyholders, the aggregate amount collected by the State is less than upon other property. There might be a better apportionment of the burden between domestic and foreign companies. But here the retaliatory laws, enacted principally at the instance of the companies, stand in the way. The present laws, without doubt, bring in the most revenue to the State, with the least payments by domestic companies in other States on account of retaliatory laws, and unless the State is to be deprived of its revenue by practically exempting this property, domestic companies will probably prefer to have this law remain as it is.

A STEP which should merit the approbation of all insurance interests was taken this week when the Association of Life Insurance Presidents issued an invitation to the executive officers of all life insurance companies of the United States to attend a "taxation conference" to be held in connection with the annual meeting of the association in New York city on December 4 and 5. The action of the association in taking the initiative in this matter at the present time is all the more praiseworthy in view of the fact that the subject of taxation of insurance companies will undoubtedly have serious attention paid to it by the forty-three State legislatures that will be in session the coming month. The compilations made by the committee on taxation of the Board of Casualty and Surety Underwriters, and read at the recent meeting of that association, show that the tax on insurance companies is about $12,000,000 annually, while the expenses incident to State supervision, the general purpose for which the tax is supposed to be levied, barely exceeds $2,000,000 annually. This surplus of $10,000,000 is a direct privilege tax on thrift forced upon the policyholders. Much has been written and said upon this subject, and apparently to no purpose, due undoubtedly to lack of concerted action. Spasmodic efforts seldom accomplish anything. We believe that the Association of Life Insurance Presidents in calling together those who are deeply interested in the matter have in view to first secure effective cooperation and then to proceed upon a line of action that will secure as near as possible uniform taxation in all the States. If it is admitted that all insurance corporations should pay a tax, then the amount of the tax should be just and equitable and not burdensome. How the tax shall be assessed, the per cent. and other features are subjects for future deliberations. The association has begun at the right end. Let it be followed by publicity with the policyholders. Show to each one the amount of his premium that each year goes for unjust taxation and the effect will soon be felt in the legislatures. This, we

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believe, was advocated by President Seward of the Fidelity and Casualty Company at the annual meeting of the Board of Casualty and Surety Underwriters, with the suggestion that a memorandum be attached to each policy showing what portion of the premium was for taxes. The suggestion is a good one, as it will give each policyholder a practical demonstration of what he is paying the State for exercising the privilege of protecting himself against loss by accident, sickness or death.

Facts and Opinions.

Commissions and not rates **caused** the filing of **ouster suits** on Friday last against seventeen fire insurance companies operating in **Arkansas.** Attorney General Kirby, of Arkansas, instituted the actions, which seek the cancellation of the licenses of the companies and the assessment of penalties aggregating $1,190,000. The companies are charged with violation of the anti-trust law through a conspiracy to form a pool and combine to limit commissions paid local agents to 15 per cent. The conspiracy is alleged to have continued for four days, from October 23 to October 26, and the penalty asked is $5,000 each day. The suits have developed from a controversy between the general agencies of W. P. Nelson & Co., of Memphis, and Adams & Boyle and L. B. Leigh & Co., of Little Rock; Trezevant & Cochran, of Dallas, and Myers & Co., of Memphis. It is claimed by the Nelson interests that separation was being applied against them in Arkansas as a result of the excess commissions which the Nelson general agency was paying for business. They charge that the other general agents met recently in Dallas and decided to apply separation against the Excess Commission Company, and that on October 23 their agents in Hot Springs were notified that they must give up the representation of the high commission companies or lose the agencies of the companies represented in the protesting general agencies. The latter deny that they made any such statement and that the anti-trust law has been violated. The companies have been very careful as to their action in Arkansas since the enactment of the drastic anti-trust law, which drove nearly all of them out of the State until the extra-territorial feature was amended. The law provides a fine of from $200 to $5,000 for each day of violation from October 23 to October 30. The list of companies sued follows: National of Hartford, Hartford Fire, American Central, Orient, Fire Association of Philadelphia, Pennsylvania Fire, Spring Garden, German-American, Citizens of St. Louis, Pelican of New York, Girard Fire and Marine, Insurance Company of North America, Caledonian, Fireman's Fund, German Alliance, Queen of New York and Royal of Liverpool.

The second part of the **Pennsylvania insurance report,** showing the 1907 figures for life and casualty companies, has finally been issued. Regarding last year's business the report says:

During the year 1907 the companies of this State issued 16,115 policies, insuring $42,539,101, upon the lives of residents of this State, a decrease over the business of the preceding year of 2,697 policies, and a decrease of $12,930,386 insurance. Companies of other States issued 647,005 policies in this State, insuring $172,031,475.57, making an aggregate by all companies of 663,120 policies, insuring $214,570,576.57, being a decrease over the preceding year of 32,434 policies, and a decrease of $27,181,908.72 insurance. The total losses paid by all life companies in this State during 1907 was $19,690,905.80, of which home companies paid $2,760,069.22, and companies of other States $16,930,836.58. The premium receipts in Pennsylvania by all the companies were $54,099,742.85, an increase over the receipts of the previous year of $939,858.88.

The insurance in force at the end of the year 1907 upon the lives of residents of Pennsylvania, including industrial policies of small amount, aggregated 3,666,626 policies, insuring $1,525,409,964.82, of which 92,118 policies, insuring $236,072,460, were in companies of this State, and 3,574,508 policies, insuring $1,289,337,504.82 in companies of other States and foreign countries. This is an increase of 166,810 policies in force over the previous year, and an increase of insurance in force of $36,302,526.13. The Pennsylvania life companies had in force at the close of the year 1907 a total of 343,976 policies, insuring $811,228,813, against 329,196 policies, insuring $767,527,776, at the close of the year 1906. The number of policies issued by Pennsylvania companies in 1907 was 49,712, insuring $129,981,864, and the number of policies terminated was 34,932, insuring $86,280,827, and of these 4,500 policies, insuring $12,780,187, were terminated by death and maturity; 1,414 policies, insuring $3,247,590 by expiry; 5,701 policies, insuring $12,541,819 by surrender; 673 policies, insuring $4,808,480 by change and decrease, and 22,584 policies, insuring $52,902,751 by lapse. The total net premium income of Pennsylvania life insurance companies in 1907 was $30,465,996.19, as against $29,045,585.44 in 1906, and a total income from all sources of $39,670,650.25, as against $40,939,806.65 in 1906. The entire expenditures of these same companies in 1907 were $29,041,896.21, of which $17,942,194.62 was paid to policyholders or their beneficiaries. In 1906 their entire expenditures were $23,809,049.72, and policyholders received $15,535,658.34.

The **Prudential** has placed on the market a **guaranteed decreasing premium endowment policy** which matures as an endowment at age eighty. The policy is designed so that the bulk of the insurance will be paid for during the most active years of a man's life. The premium reductions are to occur at the end of every five year period. The loan and cash surrender privileges are to be applicable after the payment of two premiums. The automatic premium loan plan is incorporated in the policy. In case of lapse through non-payment of a premium the policy may be renewed at any time if proper evidence of insurability is produced. To meet the requirement for income from a safe investment, the company has included the trust fund privilege, whereby, at the time the policy becomes payable, the amount due, or any portion of it, not less than $1,000, may be left during the lifetime of the beneficiary with the company, the interest rate to be 3½ per cent. a year. At the maturity of the policy as an endowment the insured may exercise the trust fund privilege. The period for automatic extended insurance at the end of the first year is sixty days. The cash surrender value for each year after the second is that of the full reserve. At age thirty the annual premium for the first five year period is $26.96. As the original premium is to be reduced 10 per cent. for each five year period in accumulative fashion, it will readily be seen what promising features the contract contains. Accordingly a policyholder who began at thirty years old would pay 10 per cent. less, or $24.26 for the second five years period, 20 per cent. or $21.57 for the third five year period, and so on down the line. The average yearly premium for fifty years for a policy taken at age thirty is $14.83.

The **Minnesota** Insurance Department has sent out to the companies an official statement of its conclusions in the matter of **riders** allowable on the standard fire insurance policy. Litigation over a lumber loss at Rice Lake, Minn., hinging upon the validity of the clear space clause, led to a decision by the Supreme Court that the use of this clause was illegal. The law provides but six forms in which the standard fire insurance policy may be varied in the way of indorsement of riders. The Minnesota Insurance Department thereupon began an investigation, calling upon the insurance companies for copies of all the various riders in use in Minnesota. It secured an opinion from the Attorney General holding that the use of other riders than those provided for under the law was illegal. The department has now issued to companies copies of the authorized forms of riders, notifying them that no other riders or other forms may be used. The prohibited clauses in common use are the watchman, clear space, iron safe and three-fourths value clauses. The companies are re-

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quired to recall from their agents any of these forms now in use, but realizing the delay necessary to accomplish this, and to get out the new printed matter, the order is not made effective until January 1, 1909. After that date any companies or agents issuing a prohibited form or rider will be guilty of a gross misdemeanor and punished accordingly. The companies will be seriously handicapped by the absence of several of the prohibitive clauses, which are regarded as essential to reduce the moral hazard and insure proper care on the part of the property owners.

The **estimated loss by fire in the United States and Canada** in the month of October, according to the compiler of the *Journal of Commerce*, was $22,722,850, or over $9,000,000 more than was credited against the same month last year, viz., $13,350,250. The comparison of the losses of 1906, 1907 and 1908 for the first ten months of the year is as follows:

	1906.	1907.	1908.
January	$17,723,800	$24,064,900	$29,582,000
February	18,949,350	19,876,600	18,489,700
March	18,727,750	20,559,700	16,723,300
April	292,501,150	21,925,900	26,009,000
May	16,512,850	16,286,300	15,181,150
June	13,950,650	14,765,000	19,512,000
July	12,428,050	18,240,150	15,323,750
August	9,641,600	20,248,000	23,123,000
September	10,852,550	11,440,400	21,431,400
October	13,872,450	13,350,250	22,722,850
Totals	$424,460,200	$180,757,200	$208,758,750

Regarding losses for the month our contemporary says that in the month of October there were eighteen fires which caused an aggregate loss each of $200,000 or over, while there were 394 fires which caused a loss of $10,000 or over in each instance. Referring to the causes, the *Journal of Commerce* says:

It seems very clear that much of the abnormal 1908 loss is chargeable to fires following the dry spell, and it is very clear that some of the fire insurance companies must have been hard hit during the past quarter.

In replying to the recent stand taken by the Association of Life Insurance Presidents, which passed a resolution calling upon the life companies which withdrew from Texas because of the **Robertson law,** to fight for its repeal, **Insurance Commissioner Love** of Texas has come out with the following statement:

The resolution is inaccurate in the statement that any amendments to the law "are considered now to be necessary" by anyone so far as I know. I have stated that I favor certain amendments, not because they were necessary but because the features proposed to be amended had been complained of, and were in my view altogether unimportant, and I have noticed in the press that the author of the bill has suggested the same amendments, but these amendments would not in any wise change the force or effect of the law as it has been enforced by this department. The passage of this resolution by the Presidents' Association should forever put an end to the talk that the companies were driven out of the State by the deposit feature of the Robertson law, and that they are willing and anxious to make investments in Texas securities. When the law was first passed these companies stated that they were forced to leave the State because of the deposit requirement and the consequent onerous taxation which would be imposed. When the deposit requirement was waived as to a number of companies who made application for such action it was stated that a commissioner might some time be in office who would not be of the opinion that the waiver should be granted, and now when it is suggested that the deposit feature be repealed they frankly avow by resolution their unwillingness to comply with a law requiring Texas investments alone. It seems to me that in view of this resolution it ought to be plain and easily understood that the life insurance companies have not been driven out of the State and prevented from making investments here by the deposit requirement of the Robertson law, but that they have left the State because they are unwilling to comply with the requirement that they shall invest 75 per cent. of the reserves held by them belonging to Texas policyholders in Texas securities. They now flatly demand the repeal of the law in toto.

The **Kentucky** Court of Appeals has reversed the decision in the Steger case at Princeton, growing out of the first of the **"night rider" raids,** in which the lower court found against the Sun of London. The merits of the riot clause, upon which the Sun relied for its defense, were not involved, the case of the plaintiff turning upon the claim that the Sun had agreed to accept the 90 per cent. compromise by other companies on the loss. Affidavits denying this were made by Manager Kelsey, of the Sun, and Thomas Bates, his attorney, and were forwarded to Princeton, but reached there a few hours after the case had been closed. The local attorney assured the court that conclusive evidence was on the way and asked for a delay, but the court refused this. The Court of Appeals now holds that the lower court erred in not granting this delay after having been assured that the depositions had been forwarded, and that the fact that the defendant was a corporation should cut no figure, as the court should grant a corporation the same generosity and consideration that it would accord an individual.

The **Standard Insurance Directory** of New England was issued yesterday. The book contains 825 pages of information, which is compiled in the *Standard's* usual good style. The book, although out later than usual, will undoubtedly be as welcome as ever. The information comprises a list of all of the companies transacting business in the six States, with their financial condition, officers and New England managers, if any; the names and addresses of the officers and members of the New England Insurance Exchange, and the officers of every other insurance organization in New England. There are also complete lists of the brokers licensed by the various departments and the names and companies represented, as well as in most cases the street addresses of every licensed agent in every city, town and village of the New England States. The price is $2 bound in linen boards, or $3 in morocco.

There has been filed in the Circuit Court at Chicago by three stockholders a bill seeking the appointment of a **receiver** for the **Southern Savings Life and Accident insurance company,** a Virginia corporation. In the petition the complainants allege that H. O. Jackson, president of the organization, and who is in full control of the company, has squandered $75,000 of its assets and at the present time owes the company $125,000 for stock held by him. He also is declared to have borrowed $48,000 from the concern. The bill was filed by Charles L. Hillgartner, Andrew Hillgartner and Addison E. Mulliken, who claim to own sixteen shares of stock valued at $4,000. The company was organized January 27, 1906, and among other objects was the manufacture, sale and lease of machines for vending life or accident insurance. These applications were to be installed in railway stations.

The **Berkshire Life** of Pittsfield has announced the election of its Chicago manager, William D. Wyman, to the offices of vice president and treasurer. He will become a director of the company and a member of the finance committee. Mr. Wyman was born at Hillsboro, N. H., in 1859, entering the life insurance business in Chicago in 1883 as an agent of the Massachusetts Mutual Life, becoming in two years' time a general agent of the company. In 1889 Mr. Wyman became manager for Illinois of the Berkshire Life and has served the company with ability ever since. He has always been prominent in life insurance work in Chicago. In 1901 he was elected to the presidency of the National Association of Life Underwriters. Mr. Wyman's successor at Chicago has yet to be announced.

Although not agreeing with the contention of the Tennessee Insurance Department that its agent, **J. A. Blackburn,**

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at Cleveland, Tenn., was guilty of "twisting" farm policies, the **Connecticut Fire** has acquiesced in the ruling of the department that the Blackburn license be taken up, and regards the incident as closed. The company's understanding of the matter was that Blackburn and another agent named Wilcox, agents respectively for the Home and the Continental, resigned those companies, and then Blackburn, representing the Connecticut, and Wilcox another company, went among their former clients soliciting their risks for the new companies, promising to stand the short rate cancellation or some such inducement. This, upon the protest of the Home and Continental, was construed by the Tennessee Commissioner as "twisting" under a former ruling which he had made.

The headquarters of the merged **German Union Fire** of Baltimore and the Southern Fire of New Orleans will be in New Orleans, according to Robert Dixon, of Dixon & Tweeddale, of New York, who are now in possession of both concerns. The capital of the Southern will be made $300,000 and the surplus $200,000. Albert Godchaux is first vice president in charge of the company in New Orleans. There will be no change in the local management at New Orleans, and the German Union will be continued under the same management for the present, but gradually merged into the Southern, so that the directors of the Baltimore company will become directors of the Southern. The capital stock of the German Union is $200,000, with a surplus of $100,000. The par value of the shares is $10. Herman Knollenberg is president of the German Union.

The lesson learned from the fire at the Neave Building in **Cincinnati** recently will likely be applied in connection with the drafting of the new **building code** there, which is expected to be ready for submission to the city council in three weeks' time. The subject of fire escapes will be considered, and they will probably be made mandatory on a building of such construction as the Neave Building. By some the placing of the manufacture of picture machine films under the same restrictions as those applying to dry cleaners is also favored. The prohibition of manufacturing plants in office buildings may be effected as a result of the Neave Building fire; the subject of enclosed stairs and fireproof elevator shafts in office buildings may also be made recommendations of the building commission.

Frozen hydrants have long been a source of serious loss to **Chicago**, many of the heavy losses in the winter being due to the fact that the hydrants are found to be frozen up, thus leaving the department helpless. Heretofore the hydrants have been packed with manure each winter, but even this has not prevented hundreds of cases of freezing. The Chicago City Council is now investigating a new method of protecting fire hydrants which involves a valve below the freezing line, the water above being forced out by an air pump. The latter can be attached to an automobile and a large number of hydrants fixed in a short time.

The individuals composing the late Chicago firm of **Derode, Faulkner & Ettelson** have **paid the fines** assessed against them by the Chicago Board of Underwriters for non-appearance before a trial committee, and upon the unanimous recommendation of the executive committee a special committee has been appointed to investigate the facts and writ of the original complaint. The new firms of H. Derode & Co. and Faulkner & Ettelson will again be recorded as charter members of Class 1 in good standing. The old firm was charged with violating the constitution of the board.

The **Columbia Life** of Cincinnati is pushing its "triple protection policy," which becomes paid up automatically at age seventy-five. It provides that when the assured becomes permanently and totally disabled the company will carry the policy without further payment or give one-twentieth of the face of the policy annually if the assured so elects. Provision is made for cash loans on the policy if three years' premiums have been paid, also for automatic extended insurance and paid up insurance. These and several other features make the policy an attractive one.

The **Allegheny Mutual Life** of Pittsburgh has been chartered to do business on the mutual plan, pending a reorganization on the stock basis with a $500,000 capital. The home office is in the Commonwealth Building at Pittsburgh. The following officers have been elected: James H. McCrady, president; A. L. Lewin, M. D., vice president; W. Wallace Miller, second vice president; W. R. McPhetridge, secretary and general manager; John C. Hill, treasurer; Fred W. Scott, general counsel; E. W. Stevenson, M. D., medical director.

The **taxation of life insurance companies**, one of the vital questions in **Wisconsin** since the radical legislation of 1907, will be discussed at Madison on November 11, when the State Tax Commission will hold a public hearing on this subject. Following the hearing the commission will prepare a report to the Legislature. George H. Francis, secretary of the commission, has sent notices to all life insurance companies doing business in Wisconsin, giving them an opportunity to be heard. There is a wide divergence of views.

Charged with **acting as** an **insurance broker** without being licensed by the Pennsylvania State Insurance Department, R. S. Shaffer, of No. 960 North Alder street, Philadelphia, waived a hearing before Magistrate Eisenbrown and was held in $500 bail. He was arrested on a warrant sworn out by W. H. Hazlett, of the Insurance Commissioner's department. It was stated that there are a number of persons transacting business as insurance brokers who have not the necessary license, and that all such will be arrested.

A unique record for a life insurance company as regards mortality experience is that of the **Bankers Reserve Fund Life** of Cincinnati, which has had **no deaths** among risks written **since** February 15, **1902**. The company was organized in 1898 and is operating under the Ohio stipulated premium law on the legal reserve basis. It had business in force on September 1, 1908, amounting to $2,230,693. It prides itself on a careful selection of risks, which has given the unusual mortality experience referred to above.

Owing to some dissatisfaction with the report of the **nominating committee** of the **Boston Board of Fire Underwriters**, an independent ticket has been placed in the field nominating F. E. Cabot, supervising engineer, for the office of secretary. Another independent ticket has been filed indorsing Edmond B. Cowles, of Field & Cowles, New England managers of the Royal, for the executive committee. Mr. Cowles is on the executive committee of the board at the present time.

An interesting **decision involving reinsurance** was recently handed down by the Indiana Appellate Court. The case affected the Federal Life of Chicago, the court holding that where insurance contracts of one company are taken over by another company and premiums collected, the latter company

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will not be permitted to defend against an accrued liability on the ground of fraudulent representations to its predecessor which were not made to it and did not influence its own action.

The property loss in the **conflagration** of October 16 **at Bisbee, Ariz.**, was $410,000, with an insurance loss of $180,000. The burned district is almost entirely within the fire limits, and the ordinances forbid the erection of frame structures within that territory, so that the fire hazard of Bisbee will be materially improved hereafter. At a special election held October 24 a bond issue of $250,000 for improvements in the water supply and fire protection was adopted.

The **Missouri Insurance Department** has completed a reexamination of the reorganized **Great Western Life** of Kansas City, and certifies a surplus on September 30 of $21,000. Under the order of the Federal Court no liability was charged against the annuity certificates. The company will be licensed as soon as it complies with certain requirements imposed by the department. The bulk of its remaining insurance in force is due for renewal in November and December.

Insurance Commissioner Bell of Kentucky has notified the companies that the department will rigidly enforce the laws providing that any company **publishing** its **assets** shall in the same connection and **with** equal conspicuousness publish its **liabilities.** The Citizens Life of Louisville has been advertising its assets without mentioning the liabilities, and was notified that its license would be revoked unless the practice was promptly stopped.

The Chancery Court of Arkansas, sitting at Little Rock, on petition of the Pittsburgh Glass Company and the Whittier Cobrom Company, of San Francisco, has placed the **Commercial Fire** insurance company, a mutual company of Arkansas, in the hands of a receiver. The company is alleged to have failed to pay a $1,000 fire loss claim to each of the companies. Horace Chamberlain has been appointed receiver.

A **campaign against gin burners** has been inaugurated by Insurance Commissioner Julian of Alabama and his deputy, A. C. Sexton, now that it has been discovered that under the new code any length of time may be used after a fire before beginning an investigation. Under the old law forty-eight hours was the limit. At the present time fires in Hale, Clay, Jackson and Conecuh counties are being investigated.

The following have been named by President Kelsey of the Fire Underwriters' Association of the Northwest as a **library committee,** to take full charge of the reading room opened in the Rookery Building in Chicago: John Marshall, Fireman's Fund, chairman; A. F. Dean, Springfield; W. R. Townley, Western and British America; H. W. Letton, Prussian National, and George E. Haas, Atlas.

The **Tennessee Life of Nashville** has been licensed in Tennessee, and of its authorized capital of $500,000 the sum of $85,800 has already been paid in. The company will begin writing life insurance on the non-participating basis at once. Officers have been elected as follows: President, J. C. Franklin; vice president, R. A. Henry; secretary, W. E. Nelson; treasurer, H. L. Fox.

The unfortunate Trenton, Tenn., lawyer, **Capt. Quintin Rankin,** who was called from his bed and murdered by masked raiders on the 21st of October at Walnutlog, Tenn., had a **policy** for $2,500 in the **New York Life.** The policy was taken in December, 1897, at age twenty-eight. Captain Rankin applied for $5,000 originally, but finally decided to take only half the amount.

The **Prudential Fire** of Knoxville, Tenn., has been licensed by the Tennessee Insurance Department. This is a mutual company which operates on the assessment, contingent premium plan. The company reports $294,000 of insurance applied for. The law requires that $250,000 of insurance be applied for before the license is granted.

The **fire limits** of the city of **Portland, Me.,** have been reestablished as a result of recent fire losses. Hereafter it will be illegal for anyone to erect a frame building within the territory bounded by India, Fort Montfort, Washington, Munroe, Anderson streets, to Back Bay, and from Forest avenue down State street to the harbor.

The **Equitable Life Assurance Society** has purchased $250,000 of 3 per cent. Tennessee bonds. Only a few weeks ago the Equitable purchased $500,000 of 4½ per cent. city of Chattanooga bonds which were issued for local improvements. This places practically $1,000,000 of the insurance company's money in the State of Tennessee.

The insuring public has been warned by Insurance Commissioner Bell of Kentucky to beware of the **Oriental Mutual Fire** of Johnstown, Pa., which is doing business in his preserves as a "wildcat." He advises prospective policyholders that the company is an assessment concern not authorized in Kentucky.

Automatic sprinklers are being installed in the bookbindery of the Irving-Pitt Manufacturing Company, at Kansas City, with a line of $150,000. The twine factory and warehouses in the new Minnesota State's prison at Stillwater are being equipped with manufacturers' 1908 sprinklers.

Objection has been made by the California Insurance Department to a **clause concerning earthquakes** in the charter for the Bankers Fire of Los Angeles, plans for whose organization are now going forward.

The managers for New York State for the **Keystone Fire** of Philadelphia, now organizing, will be Whilden & Hancock, of New York. The company expects to have a $250,000 capital and a surplus of like amount.

The **Bank Savings National Life** of Topeka has been chartered by Kansas interests with $100,000 capital stock. It proposes to operate on the plan of depositing the reserves on local policies in the local banks.

A meeting of the **Ohio Fire Prevention Association** was held at Columbus November 3, followed by meetings of the Ohio Field Club and Ohio League November 4, with a Blue Goose session in the evening.

The **Nordische insurance company** of Moscow, Russia, is expected to enter the United States in the near future after making the customary deposit of $200,000 in one of the States, probably Massachusetts.

The writing of policies covering **loss of profits** resulting **from fire** has been undertaken by the Alliance of London.

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The company has also decided to undertake the duties of trustees and executors.

A large number of **sprinkler equipments** are being installed at **Cincinnati,** a dozen being completed within the past few weeks. Only three of the large downtown stores are now unsprinklered.

Kansas City is to vote soon on an issue of $3,500,000 in **bonds** to reconstruct the **water works** and put it out of the present danger of disablement by floods in the Kaw and Missouri rivers.

The **Merchants and Planters** insurance company has moved its headquarters from Muskogee to Tulsa, Okla., where, it is understood, it will erect a new building for its office occupancy.

The quarterly report of the **insurance department** of the **Knights of Pythias** shows resources on September 30 of $2,261,212, a membership of 43,192 and insurance of $61,647,000.

Engineers representing the National Board of Fire Underwriters are making an investigation of the **fire hazard of Des Moines,** Ia. They expect to consume thirty days in the work.

The **Equity Fire** insurance company of Kansas City is being organized by officials of the numerous interinsurance concerns of that city, to have $100,000 capital stock.

The **Empire City Fire** of New York has entered California, with the Associated Underwriters of San Francisco Coast general agents.

The **Georgia Fire** of Cedartown is preparing to increase its capital from $100,000 to $300,000, and will enter several outside States.

The **Bankers Reserve Life** of Omaha is entering Arkansas, and will handle the territory through the St. Louis office.

The **Sovereign Fire** has been licensed in Rhode Island.

Personal.

AGENCY APPOINTMENTS.

People's National Fire of Philadelphia: J. R. Tatum & Co., of Jacksonville, general agents, with headquarters at Tampa.

Ocean Accident and Guarantee: Evarts, Tremaine Company, of Cleveland, Ohio, general agents for Cuyahoga County beginning January 1.

Washington Fire of Seattle: Newman & MacBain, agents for New York city.

Mr. E. W. Jewell, of Chicago, special agent of the Atlas of London in Illinois and Michigan, has been appointed assistant manager of the Western department of the company. He will succeed George E. Haas on January 1, when the latter retires to succeed Manager J. M. Neuburger, who retires to become local director of the company. Mr. Jewell entered the insurance business in 1893, and was successively in the local offices of the Fidelity and Casualty, and the Prussian National, Goodwin, Hall & Henshaw. He then joined the Western and British America as Cook County special agent, afterward being transferred to Indiana, where he served several years before going with the Atlas last year.

President John Beard Jackson, of the Western insurance company of Pittsburgh, died on Sunday afternoon, November 1, in the Pittsburgh Hospital as a result of sustaining a fractured skull by being thrown from a runaway horse. Mr. Jackson was sixty-three years old, being born in Pittsburgh in 1845. He was prominent in the financial life of Pittsburgh, and was a director of many corporations. He had been a director of the Western insurance company for thirty-four years, and president for the past ten years. He was also president of the Fidelity Title and Trust Company of Pittsburgh.

Mr. Charles W. Disbrow and Mr. Stephen A. Martin have been appointed manager and associate manager respectively of the new branch office established in St. Louis by the United States Fidelity and Guaranty of Baltimore. Mr. Disbrow has been one of the managers of the company's mountain department, with headquarters at Denver, Col., while Mr. Martin resigned his position as one of the editors of the St. Louis *Post-Dispatch* to enter the casualty business. The new office is located at 116 North Fourth street in the Pierce Building.

Mr. William Wilson Underhill, for many years president of the United States Fire of New York, retired this week from the fire insurance business, having sold his stock in the company to others. Mr. Underhill entered the service of the United States Fire in December, 1862, as assistant secretary, and has, therefore, been in its service nearly forty-six years. He was made secretary in 1866, and president in 1882, in the latter succeeding his uncle.

Mr. Edward J. Wessels, formerly of the Northwestern Mutual Life, has been appointed general agent for the Massachusetts Mutual Life of Springfield, with headquarters at 2 Rector street, New York city. The appointment was made by Mr. F. W. Smallman, manager of agents for New York city, Virginia and North Carolina, who says that his company has openings in New York city for two more men of brains and energy.

Mr. W. R. Colgate, a well known Canadian fire underwriter, was killed October 27 at Fort William, Ont., by a fall from a moving train. Mr. Colgate was for many years a resident of Winnipeg, where, as chief agent, he represented the Manchester Fire for Manitoba and the Northwest Territories. On the liquidation of the Manchester Mr. Colgate and his office were taken over by the New York Underwriters' Agency.

Mr. Robert R. Dearden, editor of the *United States Review*, was elected to succeed himself as a member of the Pennsylvania State Legislature from the Fifteenth District, comprising the Twenty-second and Forty-second wards of Philadelphia. He ran on the Philadelphia party ticket, being the only candidate on an independent ticket elected in the recent election in the city of Philadelphia.

Mr. L. A. Edwards, of Crosslands, Ga., who was killed recently in a quarrel with a neighbor, was insured for $15,000. Of this $10,000 was in the Volunteer State Life, and $5,000 in the Michigan Mutual, the latter being under a partnership contract, five neighbors taking $5,000 each to protect their mutual interests. Only one premium had been paid on the latter policy.

President Robert Melvin, of the Mutual Life of Canada, died October 19 at Hamilton, Ont., aged eighty years. He was on the original board of directors of the company in 1870, and was vice president till 1897, when he was elected president. His successor is E. P. Clement, while F. Bruce and J. K. Fisken have been chosen first and second vice presidents, respectively.

Mr. Edmund Winchester, of Boston, has resigned as New England general agent of the Girard Fire and Marine of Philadelphia, and beginning with December 1 all agents will report direct to the home office. The Girard operates in New England in only Massachusetts, Rhode Island and Connecticut.

Mr. D. C. Shupp, who has been on the "street" in Chicago since 1892, engaged in field and general agency work of recent years, has started a local agency, with the New Brunswick as his first company, with offices in the Hendry local agency. He has another company which is to enter Illinois January 1.

Mr. Lawrence M. Cathles has been appointed actuary of the Southwestern Life of Dallas, Tex. He is a member of the Actuarial Society of America, and in 1903 qualified as a fellow of the Faculty of Actuaries in Scotland. In 1905 he was appointed actuary of the Franklin Life of Springfield, Ill.

Mr. J. H. Schively has been elected State Insurance Commissioner for Washington on the Republican ticket. Mr. Schively has been chief deputy in the office of the Secretary of State, and is the first commissioner elected under the new law creating a State Insurance Department.

Mr. A. H. Grupe, Missouri special agent for the Providence-Washington, has resigned to take charge of the insurance department of the Simpson & Groves agency of Kansas City. The Simpson & Groves agency is the largest in Kansas City, and has been unionized.

Mr. L. Hays Gott has disposed of his interest in the Pittsburgh firm of Vogel, Wharton & Gott to accept the general agency there of the United Surety of Baltimore, which company has hitherto not been represented in Pittsburgh for surety business.

President Childs, of the Columbian National Life, will visit the Pacific Coast this month to enter the company in Oregon, Washington, Idaho and Nevada. The territory will be added to the present field of Julius Hohm, general agent for California.

Mr. C. L. Van Valkenburg, who resigned as Chicago agency director for the Northern Life, has been appointed manager of the Bankers Reserve Life in the Royal Building office.

Mr. A. D. Baker, of Lansing, Mich., has been appointed Western manager of the Boston insurance company. The company will enter the Middle West for fire business.

Mr. C. D. Cohen, general agent for the Equitable Life at Nashville, Tenn., has resigned, and has been appointed general agent for the Travelers in the same field.

Mr. J. F. Meyer has resigned as general agent of the accident department of the United States Casualty at Cleveland.

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Casualty and Surety Insurance.

Unusual accidents of the week are as follows: A woman servant in the house of a Methodist minister drank some blackberry brandy sent to the dominie by an enemy and was poisoned to death.

A wire drawer in a Cleveland mill was decapitated by a red hot wire which broke and coiled about his neck.

While running with the ball in a college football game a player sharply tackled received a concussion of the brain, which caused his death.

While cleaning a suit with benzine a tailor stopped to light his cigarette, when an explosion occurred, and he was fatally burned.

A five year old boy was crushed to death in the presence of his parents by falling against the elevator gate as the car ascended, and he was crushed between the car and the shaft.

A police sergeant in New York city was thrown by his horse in a crowd and his leg broken.

The driver of a brewery wagon was crushed to death by the beer kegs, which fell upon him when the truck was upset by a car.

A drunken cowboy lassoed an inoffensive passenger on the rear platform of a passing train, the man being killed by the fall to the ground.

A machinist had his right hand badly injured while testing an air brake cylinder.

In trying to get away from two gangs of fighting boys who were pummeling each other in the street, a girl ran in front of a surface car and was killed.

A merchant lost his life by being crushed in a collision between a ferryboat and steamer on the Potomac River.

While riding his horse in a country club steeplechase a gentleman was thrown at a barrier and had his collarbone broken.

Cigarette papers in his breast pocket saved the life of a grocery clerk who was attacked by a robber with a knife as he was closing up the store for the night.

A tin roofer stepped off a ladder while repairing a roof, and falling 30 feet, fractured his skull, also receiving serious internal injuries.

A railroad workman was hurt on his first day of work by having his leg and ankle badly crushed by a heavy rail thrown from a gondola car.

The accidental discharge of his gun while climbing a fence caused the death of a youthful hunter. The charge of shot penetrated his abdomen.

A ten year old boy while playing on the roof of his home stepped backward down an airshaft, and falling six stories to the basement was killed instantly.

A New York woman got a fishbone an inch and a half in length stuck in her throat and nearly choked to death before it was removed.

Falling from a roof where he was working, a glazier had his shoulder and several ribs broken by falling against a fireplug as he struck the street.

A year old baby upset a basin of water on the nursery floor, but the youngster nearly choked to death before help arrived, as the deluge struck him in the face.

When she heard that her son, who was an electrician inspector, had been beaten by thugs, a New York mother was stricken suddenly blind.

The friction of a wheel on the hay ladders struck sparks which fired a farmer's load of hay, and before he could alight he was severely burned.

Just for fun a youthful rabbit shooter fired at a passing baker's wagon in order to scare his friend, the driver. The horse was peppered, and incidentally two women who were passing on the side of the road.

Abstracting a revolver from a bureau drawer, a three year old child shot a baby brother.

The Pennsylvania Insurance Department has completed its **examination** of the condition of the **Philadelphia Casualty** as of September 30, 1908, and issued its report on the same. An impairment of the company's capital amounting to $18,000 was discovered. Total liabilities are given as $929,006.78 and total admitted assets as $910,972.63. Examiner William J. Rooney has the following to say regarding the company's condition:

The income and disbursements for the nine months of this year were carefully checked and showed that $36,663.09 more than was received was disbursed. This is largely accounted for by the large losses in the company's credit business, which can be attributed to the general business depression which has existed all over the country, and also to the great increase in the general expenses of the company. The cash was verified in the usual manner, and found as claimed, except as regards petty cash in agents' offices. Several of these accounts were found to be less than claimed by the company, which resulted in the deduction of $2,802.06. One account is with the City Trust Company, which is in the hands of a receiver. Of the total amount which is in receiver's hands, viz., $1,268.83, we have allowed $768.83 as a good asset. Although the chances of obtaining the entire account are very good, as a precaution we have deducted $500. The bonds and mortgages were all seen except those deposited with various insurance departments, receipts for which were shown. The bonds were appraised by a reputable banking house of this city, which appraisement resulted in a depreciation of $11,762.90 from book value. In item "bill receivable," $6,251.32, $3,507.32 was not allowed, being over ninety days due. In non-ledger assets the item "premiums in course of collection," $281,714.05, was reduced by $17,153.43, being over three months due, leaving premiums in course of collection really $254,560.62. This seems to be an extraordinarily large amount when compared to same account December 31, 1907, but may be accounted for by the fact of the large increase in writings, and further by the fact that the company does not insist on as prompt remittances from agents as toward the end of the year. Against this account we have also charged 28 per cent. as a liability for commissions due. This account was carefully checked month by month, and found to be correct. The unearned premiums were also carefully checked. The unpaid taxes for 1908 were estimated, and a liability of 66 2-3 per cent. was charged. The unpaid losses for health, accident, plate glass and credit over three months' insurance were accurately ascertained.

Several interesting points are involved in the claim of the officials of the United States Department of Justice at Cincinnati on the bondsmen of the late General Benjamin F. Cowen, clerk of the United States Court, a **deficiency of $25,000** having been found in his accounts. As negotiations for a settlement of the deficit have been without result, District Attorney McPherson has signified his intention of at once beginning suit. The shortage is believed to have extended back for a long period of years, how far back being but indefinitely determined. Accordingly court proceedings will be entered against all the sureties during the period of Cowen's tenure of office. The Fidelity and Deposit of Baltimore was bondsman for the dead court clerk for over twelve years and will accordingly be made a party to the proposed suit. The stand taken by the bond sureties in refusing to make good the missing $25,000 is that they were relieved of responsibility by the action of the Government examiners in officially announcing, as they repeatedly did, that the accounts of the office were correct. This was accepted as a sort of guarantee in the renewals of the clerk's bonds. Another technical point that will figure in the case is the right of the Government to the money in question. The clerk of the courts was a custodian of it for litigants who left it with him as security for costs in cases awaiting trial. It would become forfeited to the Government only upon their ultimate failure to claim it. It will be contended that these litigants are still the parties in interest and that the privilege of suing belongs to them alone. The outcome of the case will be attentively watched both as

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a matter of precedent and because of the unusual features involved.

In a word to its agents regarding the **selection of accident risks** without claim records the *Budget* of the Maryland Casualty says:

Now we at the home office will take care of the accident habit when it appears in an assured after he is our assured. We do not have to be stung ten times, nor five, before we awake. And just here we wish to say that legitimate claims, born of actual injuries resulting from real accidents, will be promptly paid, if one assured have a dozen; we are not concerned with honest claims. But what we wish to impress upon Maryland agents is the need of an underwriting conscience. In getting applications there is no question more in need of prominence, and truthful answering, than that as to the assured's previous claim record. If he has a claim record, if he has been paid indemnity more than twice, there is need of caution, and slowness in accepting his application. The agent will answer that it is hard enough, in the first place, to sell accident insurance, and easy enough, in the second place, for a prospect with a bad record, and worse intentions, to forget the record in making out his application. But these are superficial objections. The matter of answering question does not, as a rule, precede the solicitation of a prospect. Certainly it should not. And if a man be persuaded of the value of accident insurance, very little tact is needed to have him furnish the information required for the application, nor is a great deal of acumen needed to determine if the prospect be answering honestly. Not to give this matter a disproportionate prominence, for most of us try to be honest, the agent has only to develop that underwriting conscience, and the details will take care of themselves. Plant in your mind the idea that you are not only in honor bound to protect the interests of the company against every would be looter, but that you are also in honor bound to admit none to the protection of accident insurance who might jeopardize the interests of those many honest men, your present policyholders.

The Kentucky Court of Appeals has affirmed the judgment of the lower court in the case of **Mrs. Lillian Semple,** of Louisville, who sued the **Continental Casualty** of Chicago for payment of a $5,000 accident policy on the life of her late husband. The Continental Casualty appealed the case when the jury found for the plaintiff, on the ground, among other things, that Mr. Semple had additional insurance to that mentioned in the application. The Court of Appeals held that the governing principle in accident insurance does not apply as in fire and life insurance and that it does not matter how much additional insurance Mr. Semple had on his life at the time he took out the policy with the Continental Casualty. Payment was originally contested by the Chicago company on the ground that Mr. Semple, who died from injuries received while mounting a horse, did not die from an accident, but from a diseased condition of the brain, which might have been aggravated by the injury on horseback.

Some general **directions regarding claims** are given agents in the current issue of the *Agents' Bulletin* of the American Assurance of Philadelphia. The article remarks as follows:

When a claim is presented the agent is supposed to see that the claimant receives the necessary blank on which to report it to the company, and then is expected to promptly investigate the claim and report to the company as to its validity and the probable duration of disability, and also to make any recommendation as to settlement. If there is a reasonable doubt as to actual disability, house confinement, or any other points of the claim, the agent is expected immediately to acquaint the home office and await instructions. In the meantime he is also supposed to look after the interests of the claim, so far as possible, and to afford every necessary assistance for mailing of notice to the home office, and properly to acquaint him with the nature and provisions of policy contract, and see that the claimant understands it and makes claims only within its provisions. Under no circumstances should the agent hold out to the claimant that the company will settle other than in strict accordance to the terms of the policy, which is the contract between the parties in interest.

A new **monthly income policy** has been issued by the **United States Health and Accident** of Saginaw. It eliminates the indemnity for trivial acidents for the first week and increases the amount of money payable per month, the amount of death insurance and the amount of insurance for a special feature. Instead of paying $5,000 in a lump for death, a payment of $125 a month for five years or $7,500 is made. The company believes that to the average insurer the $125 a month will look better than $25 a week, which really is $108.33 a month. A less premium charge is made for the ages twenty-six to fifty. This is a new one to underwriters generally, but it is warranted by the fact that the hazard for the younger ages is so much greater than from ages twenty-six to fifty that the company would prefer a risk of this kind to one whose age is under twenty-five.

The **South Eastern Underwriters' Association** has made an agreement among the companies in the association for carrying the Alabama 25 per cent. penalty law to the United States Supreme Court, through their attorneys, King, Spaulding & Little, of Atlanta. The law imposes the penalty named for contesting a fire loss. On a trial of the law some months ago Judge Hundley in the United States Court for the Northern District of Alabama declared the act unconstitutional. In a later decision in the Southern District Judge Toulman construed the law against the companies. The case, which will be carried up as a test, is that of W. M. Hallett, of Mobile, against the German Alliance. The latter company has fought the case on principle up to the court of last resort, and companies doing business in the South are all interested in the outcome.

A new quality of **transparent wired glass** is now being manufactured at Greensburg, near Pittsburgh, by the Arbogast-Brock Glass Company. The glass has been approved by the National Board of Fire Underwriters. The manufacturers are the first to utilize ordinary window glass in the manufacture of wired glass. The process consists of taking two pieces of window glass with an interposed layer of wire mesh and subjecting them to a gradually increasing heat. This method permits of their having what is known as natural fire polish, and thus obviating the necessity of grinding and polishing, which has heretofore been necessary in the manufacture of polished wired glass.

In regard to accepting **official bonds** the *Bulletin* of the United States Fidelity and Guaranty of Baltimore says:

We again call attention to the fact that we do not write the bonds of tax collectors or treasurers who are succeeding themselves in office unless we have carried the bond for their former term. This is due to the fact that it is difficult to obtain absolute evidence that the accounts of a hold over treasurer or collector are correct. Constable bonds have been placed on our prohibited list. In soliciting the applications of officials who handle money agents should call attention to the necessity of requiring the deputies to give bonds. In each instance a corporate surety bond should be secured. Where we are liable under the official bond of a treasurer or tax collector for bank failure, we demand depository bonds from the banks, preferably signed by surety companies. In such instances agents should make an effort not only to secure the official bond, but also the depository bonds.

On Thursday a further **meeting of surety underwriters** was held at the offices of the National Surety in New York to consider the subject of reserves and kindred matters which will come up before the special fidelity and surety committee of the National Convention of Insurance Commissioners at their meetings next week. It is expected that the companies will advocate a change from the present method of arriving at a premium reserve. It is also expected that the companies will recommend that the manner of arriving at the loss reserve be placed upon a more scientific basis than the judgment of the companies as to what they are likely to be compelled to pay on a claim when it is filed.

A novel insurance idea has been suggested to the Highland Cal., Chamber of Commerce, according to the *Insurance Field*. It is proposed to form an insurance company along the lines

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of the mutual fire companies to **insure orchard owners** against the expense of fumigating for the destruction of scale insects should any of the festive bugs gain a lodgment in the valuable orange groves in that district. The Chamber of Commerce has approved the plan and a committee has been appointed to work out the details of organization. It is expected that 90 per cent. of the orchard owners will go into the proposed company.

The Fidelity and Casualty's *Monthly Bulletin* has the following to say of the **origin of the word thief:**

The word thief "was anciently written thieof, and so appeareth to have been two syllables. Thie was wont to mean thrift, so that a thieof is he that taketh of or from a man his thie—that is, his thrift or that by which he thriveth, his goods or his commodities." The word burglar is from the Gaelic word buar-glacair, a cattle lifter. "Robbing Peter to pay Paul." In 1550 several estates belonging to Westminster Abbey were granted to St. Paul's Cathedral for its repair and sustenance. As Westminster Abbey is dedicated to St. Peter the taking of the Abbey funds for the benefit of St. Paul gave rise to the saying.

School teachers and others of their profession in Pennsylvania will not have much Christmas spending money in hand if the agents of the American Assurance of Philadelphia get there first. The company has advised its agents to make a specialty of **canvassing** members of the **teaching profession** during the month of November, and the hunt for applications has accordingly begun. Both men and women are to be corralled.

September embezzlements, according to the figures collected by the Fidelity and Casualty, totaled $431,424. Banks and trust companies contributed $128,050 to the total for the month, while other losses were as follows: Beneficial associations, $13,828; public service, $73,231; general business, $52,426; insurance companies, $2,222; transportation companies, $10,671; miscellaneous, $150,996.

The **North American Accident** of Chicago is out with a new accident policy containing attractive indemnities for death, dismemberment and loss of sight. A single premium of $150 carries the policy during one's whole life. The policy is being put out through the Northeastern Agency Company, at 16 Liberty street, New York, which manages the company's Eastern department.

The **General Accident of Perth** has secured control of the stock of the Canadian Casualty of Toronto, Ont., which will continue operation under the same title. By owning this company the Scottish corporation will be enabled to write certain classes of business from which it was previously barred by Canadian law.

Announcement has been made by Robert B. Armstrong, promoter and president of the **Consolidated Casualty,** of the move of the home office from Philadelphia to Chicago, where the eighteenth floor of the Majestic Building has been leased for offices.

The Fidelity and Deposit has been given the schedule **bond** on the employees of the **Schlitz Brewing Company,** covering in all parts of the country, amounting to $548,500.

Complaint is made that the 15 per cent. **commission** on **surety lines in Chicago** is being exceeded by several companies, and a limitation agreement is being sought.

The **Commerce Trust Company** of Kansas City, which is authorized to write surety bonds, is **entering** the **agency field,** and has appointed C. F. Enright & Co. at St. Joseph and the Conqueror Trust Company at Joplin, Mo.

The **Phœnix Preferred Accident** of Detroit has been licensed in Missouri, with R. C. Maginity, of St. Louis, as general agent for the State.

Miscellany.

General Conference on Life Insurance Taxation Called by Association of Life Insurance Presidents.

An invitation to the executive officers of the life insurance companies of the United States and Canada to join in a conference to consider ways and means of securing a modification of life insurance taxes has been sent out by the Association of Life Insurance Presidents. The meeting will be held on December 4 and 5 in connection with the annual meeting of the Association of Life Insurance Presidents. The call for the meeting is as follows:

To the Executive Officers of the Life Insurance Companies of the United States and Canada:

GENTLEMEN—Life insurance taxation for years has stood in the front rank of the problems confronting life insurance companies and their policyholders. Time and again the executive officers of companies in addresses or annual statements have called attention to the burden placed on the shoulders of the policyholders through special taxes. But these earnest protests have not been heeded by legislators. Finally, however, so patent did the inequality and injustice of the present life insurance taxes imposed by most of the States become that last year the National Convention of Insurance Commissioners, at Richmond, Va., appointed a committee to investigate the subject. That committee, after an exhaustive survey of the situation, reported to the National Convention of Insurance Commissioners, at Detroit, Mich., on August 24 of this year, strongly recommending a readjustment of the present unequal and unjust taxation imposed on life insurance companies. After proposing certain definite remedies which, if carried out, would cause substantial reductions in taxes in all the States, the report, which was adopted, stated:

"It devolves upon those, therefore, who understand the subject to assume responsibility for recasting the taxing laws along the lines suggested in this report. The members of this association may do much to this end, but upon the insurance companies and their policyholders devolves the great burden of responsibility for procuring these desirable changes. It is the duty of the managers representing their policyholders to protect in this legitimate manner their property from depletion by unjust taxation."

Thus the insurance commissioners plainly place the responsibility for the initiative in this matter on the managers of the life insurance companies. The subject of obtaining a reduction of taxes is one in which all the companies, irrespective of geographical location or size, are vitally interested. It is agreed on all sides that now, if ever, is the time to seek a lightening of the burden.

To obtain a general discussion of the best ways and means of securing modification of life insurance taxes, with the object of a possible concert of action to get this much needed relief, the Association of Life Insurance Presidents has arranged for a taxation conference of the executive officers of all the life insurance companies of the United States and Canada, to be held in connection with its annual meeting at 1 Madison avenue, New York, on Friday and Saturday, December 4 and 5. The commissioners of insurance, who have begun such splendid work along these lines, also will be asked to take part in the conference.

Formal papers on the subject of taxation are being prepared by Professor Zartman, of Yale University, and others, and these will be made the basis of discussion by life insurance men from every part of the country. It is hoped in this discussion to bring out the experience of the different companies in various parts of the United States and Canada as a guide for whatever action may be proposed.

The keynote of the conference undoubtedly will be the suggestion of the insurance commissioners that any successful movement for reducing taxes must be backed by the policyholders. They are the ones who, in the final analysis, pay the tax. These policyholders, totaling millions of representative citizens, are a power in their respective communities—a power that has never

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been invoked by the legal reserve companies. The policyholders play a prominent part in the selection of the legislators who impose the tax. If the policyholders become convinced that they are being discriminated against by their legislators in the matter of insurance taxes they will take steps to have the injustice removed. The taxation conference, therefore, will really take the form of a convention of policyholders, the company managers acting as the delegates.

It is sincerely hoped that every life insurance company in the United States and Canada will be represented at this conference.

ASSOCIATION OF LIFE INSURANCE PRESIDENTS,
Robert Lynn Cox, General Counsel and Manager.

NEW YORK, November 4, 1908.

The Brokers With Variations.

(From the Budget of the Maryland Casualty.)

More than a majority of successful brokers are bound to be so in most of their endeavors in any direction, for they have successful personalities. They are good to look upon, by birth or adornment, often both; they talk well, and they have that air of assurance worth many dollars, the bearing that goes with a consciousness of business ability. They vary. We have met many of them in different cities. Some win by their ease, some by their obvious honesty, some by the impetus of ambition, and in dress they cover all stages, from plain clothes that fit to tasteful gorgeousness. Yet they are of a type—the well made, well brained man who makes good by being what everyone thinks it well to be.

But there are so many odd ones, men whose success is scarcely to be explained. There is one whose murder would be an act of citizenship, were it not that you know him to be a man of family. He is short and bent, shambling in gait, rambling in speech, maddening in the slowness of his mental processes. Whatever the topic he has determined upon, you may be sure that he will not let go until he has wrung the life out of it and you. He will not cease firing while there is a shot in his magazine. His slow sentences fall on your ear like hammer strokes upon a broken bone. You speak of the weather, of the campaign, of children, of insurance rates, of anything your harassed mind lights upon during the lull between his sentences, but he does not hear you, nor do you hasten or retard him a second. If he has determined that you should know why he likes cheese, you will know all about cheese, never fear, and it is better, in the beginning, to start your poor head nodding acquiescence, and to put a damper on your perceptions, or the droning of him will drive you mad. And his large business grows each year.

And there is that stout young man, of strange clothes, whose voice is his salvation. What he says offends you. He at some time tacked within his brain a ton of platitudes, and these bubble out of him as he talks. But his voice does the work. His intonations color your mental atmosphere, and as he wishes you to think, so will you think. He speaks of the hardship brought by disability; you laugh at his words, in their foolishness, but that voice makes pain and want real. He talks of death in a mouthful of abominable trash, but there comes to you a sense of the solemnity, the inevitableness, the deathliness of death. He is not stagey; the voice is well trained, and makes no false steps, and in it he has an asset unattainable by other men.

Another broker, whose business is large, has the devil's temper, with the tongue of a widow. He lives in a sultry rage. His only pleasure in life is in telling you with malevolent bitterness of his contempt for all the details of life, as now arranged. And his brain is sharp enough to hit on the defect every time, and to suggest an apparently plausible but actually impossible remedy. We suppose he gets business by convincing prospects of the idiocy of life, of their own extreme asininity and of his ability to straighten things out properly. But he gets business.

Then that broker who is aggrieved does well. He does not complain in words, but in personality. In his presence you feel that you have eaten too much at your last meal, have omitted your morning bath, or have thoughtlessly come to work without your trousers. You are, in fact, gross, and he is sorry for you, gently sorry, and he is sorry for himself in having to be with you. As to business, it is a delicately painful matter to sell your policies. You feel that they are unkempt, inefficient and badly bred. Yet he manages to sell a great many of them.

Also our friend, whom the boys secretly call Squirrel, with the uncanny intuition of boys. How does he ever manage to close anything? He nibbles at you as though you were a nut, and in sooth you will be nutty if you live with him, we judge. He giggles and smiles, and half advances an idea, then immediately covers it up. Yet, on second thought, he does get what he wants. We remember. Yes, he gets what he wants.

It seems all of them get what they want, and this is the only generalization we can make. That is the salient fact—they know what they want, and get it, and this distinguishes men from make believes; man might be honestly stamped on every one of them. That is the trick, which is not a trick. So long as they make prospects feel that they are not jokers, nor fakirs, nor beggars, but men, doing a man's work, that long will they do the work well. And how very uninteresting the world of insurance would be without the queer ones.

Insurance Against Deafness.

(The Insurance Record of London.)

The term hammermen embraces a large number of different callings, and may roughly be said to mean those who work with a hammer; but the difference in the amount of risk and nature of such is so great that different clauses are made in insurance policies to suit the different classes. The boiler maker and riveter, who work on boilers, are particularly subject to deafness. At one time this was not regarded as sufficient to cause a man to cease work, but since the late compensation act came into force it is so in large works, where in the nature of things accidents must happen at times. A man who has lost the sense of hearing is of course more liable to harm than a man in full possession of his faculties, and it is now a condition of any insurance of boiler makers or riveters on boilers that in the event of the man falling deaf the company carrying the risk has no liability in the case of ill befalling him. Deafness has therefore assumed a more serious aspect than ever before, and the men are said to endeavor to keep the secret to themselves when they find their hearing failing them; but they are, of course, unable to do this for very long, and to guard against unemployment at their trade, which the discovery renders inevitable, they join the club which is attached to all large works, and, by paying the sum of a shilling a week (an easy matter, as they earn big wages), can look forward to receiving a round figure on retiring from active work.

Besides this, the firms themselves have funds which are formed from subscriptions among the employees, which help the boiler maker or riveter on his giving up work. In the manufacturing centres in the northern and midland counties "deaf insurance" is a well known term, and the wives of the men see to it that the premiums are paid up regularly. "Where's my deaf money?" the good wife asks the husband on Saturday, and that and the rent money are first taken out of the wages before any is spent on other necessaries. It is calculated that an "inside" riveter, the man whose specialty is working inside the boilers, can only retain his hearing for fifteen years, and it is on this basis that all insurance is arranged; but, of course, no hard and fast rule can be drawn where human beings are concerned, and men have been known to work for much longer than this without showing any ill effects.

Hazards of Cottonseed Oil Plants.

The current number of the *Quarterly* of the National Fire Protection Association contains an instructive article from the pen of William D. Grier, general inspector of the North British and Mercantile, on the subject of cottonseed oil plants. In regard to the danger he says:

The hazards of the cotton oil mill are not many, and are well marked and generally thoroughly understood by the operators. The bulk of the employees is usually a low grade of negro help, the superintendents and foremen being white men. There does not seem to be anything about the business which requires skilled labor, with the exception of the foremen, superintendents and engineers. The chief hazard in the mill proper is undoubtedly in the lint room, where the hazards of hot bearings, foreign matter passing through the gins, and flash fires are always present. In most mills considerable care as to sweeping down is exercised, and there is not usually any great accumulation of loose stock in the room, so that a flash in a gin is not necessarily productive of a serious fire. The hazards of hulling, grinding, cooking, pressing, etc., are not serious, being confined to those incident to any process where moving machinery, hot steam pipes, and more or less grease and oil are involved.

"In the seed house the hazards are considerable, not only from the tendency of the seed to heat and take fire spontaneously, but in a greater degree from hot bearings around the conveyors and cleaning machinery. The bearings of the conveyors are nearly always in more or less inaccessible locations, peculiarly subject to clogging and obstruction from lint and dirt of all kinds, and have undoubtedly been productive of numerous fires, as has the clean-

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ing machinery. The hazard in the hull house is considerable, the hulls being apparently prone to spontaneous combustion, and there have been numerous fires in hull houses, the contents being usually a total loss, the hulls being practically valueless after being wet. In a recent fire in a hull house it was found that the damaged and water soaked hulls were hardly worth the expense of handling even as fuel. The grabot screened out of the seeds is sometimes reginned in the seed cleaning house, thus constituting a serious hazard. The bolls and trash resulting from the various screenings are usually burned in the boilers and not allowed to accumulate in any great quantity.

To summarize, in the writer's personal opinion, the chief hazards in a cottonseed oil mill proper are the ever present ones of dirt, untidiness and, in a lesser degree, hot bearings, steam pipes improperly arranged, and the like. In cottonseed oil refineries the special hazard is not as great as might be imagined, the most serious being that from press cloths, which should be immediately washed and dried and not allowed to lie about, and the fuller's earth from the filter presses, which if dumped out in a pile is almost certain to be shortly raised to a glowing heat by the oxidation of the oil remaining on the finely divided particles of fuller's earth. This hazard is well recognized by all oil refiners with whom the writer has talked, and special efforts are usually made to remove the fuller's earth to a safe distance, it being usually dumped on the ground some little distance from the building.

Boiler Rates.

(From the Monthly Bulletin of the Fidelity and Casualty.)

In the last few years several companies that have not heretofore written boiler business have entered the field. Just what has tempted them to do so is not easy to see. Competition is always the more severe in proportion as the field has been worked, and the boiler field has been thoroughly worked. Practically all boilers that are insurable are now insured. People owning the boilers now uninsured for one reason or another do not want insurance. The annual increase in insurable boilers is not great.

It cannot be the expectation of profit that has induced these companies to enter the boiler field. If it is, then that expectation is bound to be disappointed. Since the present volume of business cannot be much increased a new company cannot get business except by compelling those who already have the business to part with some of it, and the parting cannot be effected except by cutting rates. The competition existing prior to the entrance of these new companies into the field had already reduced rates to rock-bottom figures. With a further cut the profit disappears entirely.

If the old companies cannot make a profit at present rates the new companies certainly cannot. One of the principal costs in the product of the boiler business is the inspection cost. The inspection cost is made up of salaries to inspectors, railroad fares, hotel bills and supervision. If the boilers are few in number and widely scattered, as is necessarily the case with a new company, these costs per boiler per annum will be high. Predicating a satisfactory inspection service, the inspection cost can only be reduced by securing a large volume of business, so that the inspector shall not waste time and money by traveling overmuch. Even with the large volume of business that both possess, neither the Hartford nor this company has succeeded in reducing the inspection cost per boiler per annum below $4.75. Certainly no other company can. For a long time it will cost a new company 50 to 100 per cent. more than this, provided it gives a satisfactory inspection service. What sense can there be then in writing boilers anywhere from $6 to $10 per boiler per annum? There are also commissions to be paid, losses, underwriting costs, etc.

We have been reviewing lately the history of our boiler business over practically the entire period that we have been transacting it. Steadily with each succeeding year the premium secured per boiler per annum has been dropping off, while the cost of transacting the business, especially of late the inspection cost, has been increasing. The increase in the inspection cost has been due to a number of reasons. In the first place the number of boilers that an inspector can take care of is less than formerly. People demand more in the way of special calls, extra inspections, etc., than they did in earlier years. Hotel bills are higher. It has come to this: that we now come out just about even on our business, with the ever present chance that a disaster for which we have now no margin will throw the balance on the wrong side of the ledger. The future of the business is not bright.

Nevertheless, here we are and here we are going to stay. We have an established plant qualified to give efficient service both as respects insurance and inspection to those who want it and who are willing to pay a fair price for it. For the time being we are satisfied to do the business at cost, but we are not going to do it at a loss. We shall leave that to the Ishmaelites among the brethren, whose sole idea seems to be to get the business at any rate and wait for the day when they have learned their lesson and are ready to accept the idea that they may have a legitimate mission in life and are not merely wreckers.

FIRE INSURANCE AGENTS
CAN GET
LIBERAL COMMISSIONS
ON CASUALTY LINES
PHILADELPHIA CASUALTY CO. PHILADELPHIA PA.

SPECIAL NOTICE.

AN OPPORTUNITY EXISTS IN NEW YORK CITY FOR A GOOD LIVE MAN AS OFFICE MANAGER IN AN ESTABLISHED LIFE INSURANCE AGENCY. AMBITIOUS, P. O. Box No. 555.

GEORGE FRANK SWEENEY
SURETY BONDS
Suite 30, Third Floor, Old Evening Post Bldg.
206 BROADWAY, Corner Fulton Street
Telephone: 8384 and 8385 Cortlandt.

NATIONAL LIFE INSURANCE CO.
of the United States of America.
CHICAGO
ESTABLISHED 1868

ALBERT M. JOHNSON, President
ROBERT E. SACKETT, Vice-President
CHARLES B. SHEDD, Treasurer
ROBERT D. LAY, Secretary

RECORD OF 1907

Insurance in Force December 31st. -	$50,066,932.77
Gain in Apportioned Surplus in 1907, -	105,734.09
Gain in Assets. - - - - - - - - -	1,037,668.19
Excess of Income over Disbursements,	1,093,023.43

CHICAGO'S OLDEST AND STRONGEST COMPANY

Organized 1871
Life Insurance Company of Virginia
HOME OFFICE, RICHMOND, VIRGINIA
J. G. WALKER, President.
T. WM. PEMBERTON, 1st Vice-Pres. W. L. T. ROGERSON, Secretary.
The PIONEER Southern Industrial Life Insurance Company.
The OLDEST Southern Life Insurance Company.
The LARGEST Southern Life Insurance Company.
The most approved forms of Life, Endowment and Industrial Policies issued on favorable terms.

Assets	OVER $4,000,000 00
Insurance in force	OVER $61,000,000.00
Total payments to policyholders since organization	OVER $8,500,000.00

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Provident Life and Trust Co.

OF PHILADELPHIA.

The **new policies** of the Provident are unsurpassed for conciseness and simplicity of form and for adaptability and liberality in all essentials.

The premium rates of the Provident are exceedingly low and are still further reduced by large annual dividends.

The Agricultural Insurance Company of Watertown, N. Y.

ESTABLISHED 1853.

Assets, January 1, 1908	$2,717,477.10
Total Liabilities, except Capital	1,705,859.80
Joint Stock Capital	500,000.00

PHENIX INSURANCE COMPANY

OF BROOKLYN, N. Y.

NEW YORK OFFICE:

68 WILLIAM STREET.

1825. THE 1908.

Pennsylvania Fire Insurance Co.

OF PHILADELPHIA.

Cash Capital	$750,000.00
Reinsurance and all Liabilities	4,096,833.14
Surplus	1,615,283.97
Total January 1, 1908	$6,462,117.11

R. DALE BENSON, Pres. W. GARDNER CROWELL, Sec.
JOHN L. THOMSON, Vice-Pres. HAMPTON L. WARNER, Asst. Sec.
WM. J. DAWSON, Sec. Agency Dept.

CHARTERED 1866.

HARTFORD LIFE

Insurance Company of Connecticut

GEO. E. KEENEY, President.

ALL THAT IS BEST IN LIFE CONTRACTS

EITHER TO BUY OR SELL

$30,000,000 Paid Policyholders and their Beneficiaries.

WANTED

BY

The Manhattan Life

Insurance Co.

Live, energetic men for some excellent territory. Exclusive and liberal contracts will be made with the proper parties.

The Armstrong Committee found no questionable methods in The Manhattan Life Insurance Company.

Address

W. B. LANE, Vice-Pres.

66 BROADWAY, NEW YORK

NOTICE

Insurance Losses and Claims for Damages amicably and satisfactorily Adjusted. Otherwise resisted, defended at Law or in Equity for Companies by

T. F. HANLON

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BALTIMORE, MD. CALVERT BLDG. WASHINGTON, D. C. COLORADO BLDG.

(Address Washington. 'Phone: Main 7132).

Twenty-five years' experience Member Bar U. S. Supreme Court.
GO ANYWHERE. OPERATE ANYWHERE.

The Connecticut Mutual Life Insurance Company

Stands alone among the American companies of any note, in having repaid to its members, their beneficiaries and estates, in annuities, endowments, death claims, surrender values and dividends, more than it has received from them in premiums. These are the totals:

Received since organization—1846	$249,356,745.45
Repaid as above noted	253,641,382.54
Excess over amount received	4,284,637.09
Assets December 31, 1907	65,003,271.10
Surplus December 31, 1907	2,326,657.25
Insurance in force December 31, 1907	174,716,005.00

President, JOHN M. TAYLOR.

HANOVER

Agencies in all the Principal Places in the United States.

Fire Insurance Company OF NEW YORK.

COMMERCIAL UNION ASSURANCE CO.

LIMITED,

OF LONDON.

OFFICE:

Cor. Pine & William Sts., New York

Established 1782.

Phoenix Assurance Company, Ltd.,

OF LONDON.

FIRE INSURANCE ONLY. LOSSES PAID, OVER $135,000,000.

Head Office for the United States, 47 Cedar St., N. Y.

A. D. IRVING, Manager LOUIS P. BAYARD, Asst. Manager

A. D. IRVING, Jr., Sec.

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Insurance Co. of North America.

232 WALNUT STREET, PHILADELPHIA.
FOUNDED 1792.

Assets, January 1, 1907		$10,748,864
LIABILITIES—Reserved for Reinsurance and all other claims	$6,705,870	
Capital Stock	3,000,000	
Surplus over all Liabilities	1,042,994	$10,748,864

Agents in all the principal towns and cities.

CHARLES PLATT, President.
EUGENE L. ELLISON, Vice-President.
BENJAMIN RUSH, Second Vice-President.
GREVILLE E. FRYER, Secretary and Treasurer.
T. HOUARD WRIGHT, Assistant Secretary.
HENRY W. FARNUM, Marine Secretary.
JOHN O. PLATT, Assistant Secretary.

Offices in New York: Fire, 51 William St.; Marine, 63 Wall St.

SAMUEL GANS, President
LEOPOLD GANS, Vice-Pres. & Gen'l Mgr.

SAMUEL GANS CO.

186-188 WOOSTER ST., N. Y.
New York Chicago Atlanta

Renovators of Fire and Marine Salvages

Telephone: 580 Spring

Stocks handled at lowest percentage consistent with proper results, accompanied always with Cash Guarantee. Our methods fortify adjusters in advance of closing loss.
Always telegraph or telephone at our expense.
Expert advice cheerfully given.

EDWIN W. WILE, Resident Manager
Home Office: Chicago, 207-209 E. Madison St.

THE
METROPOLITAN CASUALTY
INSURANCE CO. OF NEW YORK
Home Office, - 47 CEDAR STREET

CHARTERED 1874
PLATE GLASS
PERSONAL ACCIDENT POLICIES
AND HEALTH
OF THE MOST APPROVED FORMS

EUGENE H. WINSLOW, President
DANIEL D. WHITNEY, Vice-Pres't
S. WM. BURTON, Sec'y
ALONZO G. BROOKS, Ass't Sec'y

RELIABLE AND ENERGETIC AGENTS WANTED

FIREMEN'S
Insurance Company of Newark, N. J.

ORGANIZED 1855

CAPITAL,	$1,000,000.00
ASSETS,	4,701,068.80
SURPLUS TO POLICYHOLDERS,	3,148,371.45

DANIEL H. DUNHAM, President
CHARLES COLYER, Vice-President
A. H. HASSINGER, Secretary

WHITON & MERGES, Agents, . . 73 William Street, New York
LEWIS & FREAR, Agents, . . . 145 Montague Street, Brooklyn
H. W. BEALS, Suburban Agent, . 76 William Street, New York

The New Policies
OF THE
ÆTNA LIFE INS. COMPANY
of Hartford, Conn.

are the most up-to-date and most comprehensive Life Insurance Policies to be had today.

THIRTY-ONE DAYS' GRACE IN PAYING PREMIUMS

MOST ADVANCED NON-FORFEITURE FEATURES

NO RESTRICTIONS AS TO RESIDENCE, TRAVEL OR OCCUPATION

Besides combining in one contract all the best features of all the best life insurance policies, the benefits of the NEW POLICIES of the ÆTNA LIFE are available to first-class risks if the insured becomes

TOTALLY AND PERMANENTLY DISABLED

Agents are wanted to work in both new and old fields selling these policies. For further particulars address the Home Office of the ÆTNA LIFE at Hartford, Conn.

GERMANIA
FIRE INSURANCE COMPANY
NEW YORK.
ORGANIZED 1859.

Cash Capital	$1,000,000.00
Assets	5,185,649.51
Net Surplus	949,260.99

HEAD OFFICE
Cor. William and Cedar Streets.

ONLY THE MAN
with a Columbian National License may sell
Massachusetts Non-participating Life,
Massachusetts Accident, Health and Disability

Liberal Policies backed by a Large Surplus

We want high grade men—General Agents, City Managers and District Managers. Save time by writing fully.

THE COLUMBIAN NATIONAL LIFE INSURANCE CO.
Home Office: 150 Federal St., Boston, Mass.

THE
Empire State Surety Co.

Executive Office: 84 William St., New York.
192 Montague St., Brooklyn.

General Surety Bonds — Plate Glass
Liability — Burglary
Boiler
Personal Accident and Health Insurance

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Moses May, . . } *Vice-Presidents*
Willard P. Reid, }
Walter J. Moore, }
R S Keeler, M.D. }
Daniel Stewart, . . *Secretary*
Alfred J. Hodson, . *Ass't Sec'y*
Warrel S. Pangborn, . *Treasurer*
Hugo Hirsh, . *General Counsel*

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Mutual Life Policies

ARE EASIEST TO SELL

BECAUSE

Yearly dividends have been increased for the last three years, 1906-7-8, at a rate equaled by no other company.
Cash values guaranteed in the new life and endowment policies are equaled by few companies.
Attractive features have been added to standard policy forms.
Liberal terms offered producing agents under the 1908 contracts.

For information, address

GEORGE T. DEXTER
Second Vice-President
The Mutual Life Ins. Co. of New York
34 Nassau Street, New York, N. Y.

1860 48TH YEAR 1908

HOME LIFE INSURANCE COMPANY

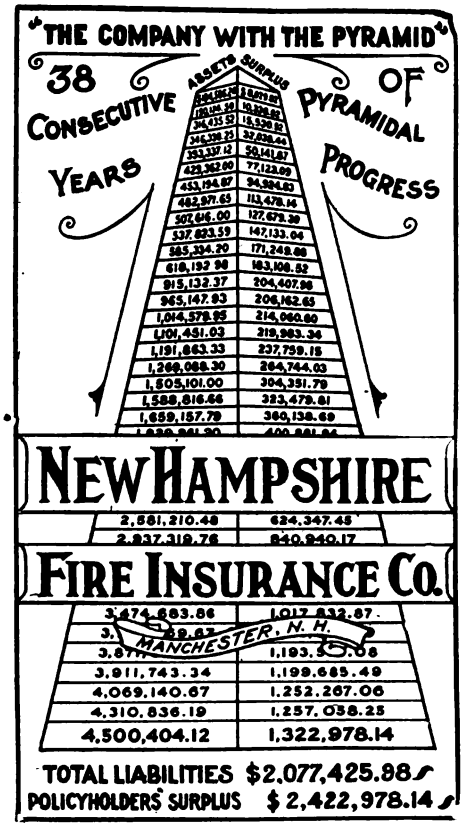
OF NEW YORK.

GEORGE E. IDE, President

ASSETS, $20,004,853.63. LIABILITIES, $19,235,418.20.
(Including Dividend-Endowment Fund)

Dividend-Endowment Fund (Deferred Dividends)	$1,795,020.00
Net Surplus	769,435.43
Insurance in Force	86,193,296.87

The forty-eighth annual report shows a gain in the amount of insurance in force; that assets were increased nearly $1,000,000, and that over $300,000 was paid to policyholders in dividends.



[FIRE]

German American Insurance Company New York

STATEMENT JANUARY 1, 1908

CAPITAL
$1,500,000
RESERVED FOR ALL OTHER LIABILITIES
7,592,685
NET SURPLUS
4,415,353
ASSETS
13,508,038

National Life Insurance Co.

MONTPELIER, VERMONT.

Established in 1850. Operating in 36 States.

JOSEPH A. DE BOER, President. H. M. CUTLER, Treasurer.
JAMES T. PHELPS, Vice-President. A. B. BISBEE, Medical Director.
JAMES B. ESTEE, 2d Vice-President. C. E. MOULTON, Actuary.
OSMAN D. CLARK, Secretary. F. A. HOWLAND, Counsel.

This Company held January 1, 1908, and gained during the past decade:

ASSETS	$40,354,241.29	Gain, 172 per cent
SURPLUS	4,539,688.47	Gain, 149 per cent.
INSURANCE	153,467,472.00	Gain, 100 per cent.

Its life, term and endowment contracts are liberal and attractive.

J. F. MAKLEY, Gen. Mgr., 149 Broadway, New York, N. Y.
J. V. ALEXANDER, Gen. Mgr., 1134-36 Granite Bldg., Rochester, N. Y.
M. H. MULLENNEAUX, Manager, 119 State St., Albany, N. Y.
A. H. GSELLER, Manager, 9 Clinton St., Newark, N. J.

The Preferred Accident Insurance Company of New York

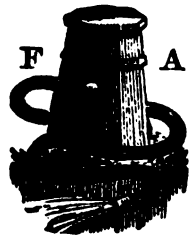
SUPERIOR POLICIES

KIMBALL C. ATWOOD, President,
290-292 Broadway, New York.

FIRE ASSOCIATION

1817 OF PHILADELPHIA 1908

Total Assets,	$7,840,675.19
Capital Stock,	750,000.00
Net Surplus,	1,804,021.58



E. C. IRVIN, President.
T. H. CONDERMAN, Vice-President.

New York City Department
KELLY & FULLER, Agents
92 William Street, New York City
Boston Department
JOHN C. PAIGE & CO., Agents
65 Kilby Street, Boston, Mass.

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PENN MUTUAL LIFE
OF PHILADELPHIA
HAS FURNISHED
PERFECT PROTECTION AT PROPER RATES
For 60 Years
Our agents are representative citizens of their respective communities.

Union National Accident Co.
JAMES A. FLAHERTY, *Pres.*
This Company is now prepared to make contracts with high grade producers. Our up-to-date policies will prove to be easy sellers.
HOME OFFICE:
Manhattan Building, PHILADELPHIA, PA.

SUN
Insurance Office
OF LONDON
FOUNDED 1710
UNITED STATES BRANCH:
54 PINE STREET, NEW YORK
WESTERN DEPARTMENT:
171 LA SALLE ST., CHICAGO
PACIFIC DEPARTMENT:
N. E. Cor. Sansome and Sacramento Sts.
SAN FRANCISCO, CAL.

North British & Mercantile
INSURANCE COMPANY,
OF LONDON AND EDINBURGH.
Established 1809.
OFFICE:
76 WILLIAM STREET,
New York City.

Head Office for the United States:
57 and 59
William Street,
NEW YORK.
LONDON & LANCASHIRE FIRE INSURANCE COMPANY
A. G. McIlwaine, Jr., Manager.

SAFETY FUND INSURANCE.
NIAGARA
Fire Insurance Company
OF NEW YORK.
OFFICE:
135 & 137 BROADWAY.

Accident INSURANCE Health
CONTINENTAL CASUALTY COMPANY
CHICAGO, ILLINOIS
The Largest Company in America Writing Accident and Health Insurance only
More and better forms of accident and health policies, issued separately or in combination, than are sold by any other company, including the latest popular winner ANNUITY ACCIDENT INSURANCE
If not now representing an accident company, address:
H. G. B. ALEXANDER, President and General Manager.
1208 Michigan Avenue, CHICAGO, ILL.

Western Assurance Company
HEAD OFFICE: TORONTO, CANADA.
INCORPORATED 1851.
Hon. GEO. A. COX, President.
W. R. BROCK, Vice President.
W. B. MEIKLE, General Manager.
UNITED STATES STATEMENT, JANUARY, 1908.
Assets $2,313,223.21
Surplus in United States 584,136.52

Northern Assurance Company,
OF LONDON, ENGLAND.
EASTERN AND SOUTHERN DEPARTMENTS,
38 PINE STREET, NEW YORK.
GEORGE W. BABB, Jr., Manager. T. A. RALSTON, Sub-Manager.

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HOME OFFICE OF THE

Metropolitan Life Insurance Co.

INCORPORATED BY THE STATE OF NEW YORK

The Company OF the People, BY the People, FOR the People.

PROOF OF PUBLIC CONFIDENCE

This company has more premium paying business in force in the United States than any other Company, and for each of the last 14 years has had more New Insurances accepted and issued in America than any other Company.

The number of Policies in force is greater than that of any other Company in America, greater than all the Regular Life Insurance Companies put together (less one), and can only be appreciated by comparison. It is a greater number than the Combined Population of Greater York, Chicago, Philadelphia, Boston, St. Louis, Cleveland, Cincinnati and Milwaukee.

ASSETS.

United States, City and R. R. Bonds and Stocks	$81,500,727.38
Bonds and Mortgages	74,620,197.45
Real Estate	19,905,683.43
Cash	5,258,969.45
Demand Loans on Collateral	3,476,500.00
Loans to Policyholders	6,552,375.12
Prem. deferred and in course of collection (net)	4,772,106.25
Accrued Int., Rents, etc	2,233,904.15
Total	$198,320,463.23

LIABILITIES.

Reinsurance Fund and Special Reserves	$181,775,579.00
All other Liabilities	1,542,371.65
Capital and Surplus	13,951,899.14
Total	$198,320,463.23

Largest Office Building in the World—Madison Avenue, Fourth Avenue, 23d Street and 24th Street, New York City.

SIGNIFICANT FACTS

This Company's Policy-claims paid in 1907 averaged in number one for every 64 seconds of each business day of 8 hours each and in amount $124.95 a minute the year through.

THE DAILY AVERAGE OF THE COMPANY'S BUSINESS DURING 1907:

452 per day in number of Claims Paid.
6,391 per day in number of Policies placed and paid for.
$1,239,393.45 per day in New Insurance placed and paid for.
$162,489.27 per day in Payments to Policyholders and addition to Reserve.
$72,011.34 per day in Increase of Assets.

OFFICERS

JOHN R. HEGEMAN	President
HALEY FISKE	Vice President
GEORGE H. GASTON	2d Vice President
GEORGE B. WOODWARD	3d Vice President
FRANK O. AYRES	4th Vice President
JAMES M. CRAIG	Actuary
FREDERICK H. ECKER	Treasurer
WALTER STABLER	Comptroller
JAMES S. ROBERTS	Secretary
JOHN R. HEGEMAN, Jr.	Asst. Secretary
J. J. THOMPSON	Assistant Secretary
T. R. RICHARDSON	Assistant Secretary
F. F. TAYLOR	Assistant Secretary
FREDERICK A. BETTS	Assistant Secretary
STEWART L. WOODFORD	Counsel
THOMAS H. WILLARD, M. D.	Med. Direct.
AUGUSTUS S. KNIGHT, M. D.	Med. Direct.
W. S. MANNERS, M. D.,	Asst. Med. Director
E. M. HOLDEN, M. D.	Asst. Med. Director
I. J. CAHEN	Manager Ordinary Dept.

Paid to Policyholders since Organization, plus the Amount now invested for their Security, $407,462,482.06.
Number of Policies in Force, 9,620,009. Amount of Outstanding Insurance, $1,804,946,581.00.

In its Ordinary Department policies are issued for from $1,000 to $1,000,000 on individual lives, premiums payable annually, semi-annually and quarterly. In its Industrial Department policies are issued on all the insurable members of the family for weekly premiums.

Full particulars regarding the plans of the Metropolitan may be obtained at its Home Office, 1 Madison Ave., New York City, or of its Agents in all the principal cities of the United States and Canada.

Liverpool & London & Globe Ins. Co.,

ESTABLISHED, 1836. ENTERED THE UNITED STATES, 1848.

NEW YORK OFFICE:
WILLIAM & PINE STREETS.

NEW ENGLAND, NEW YORK, PENNSYLVANIA, OHIO, INDIANA, KENTUCKY, TENNESSEE, ARKANSAS, MARYLAND, DELAWARE, DISTRICT OF COLUMBIA, VIRGINIA, WEST VIRGINIA, NORTH AND SOUTH CAROLINA.

H. W. EATON, Resident Manager.
GEO. W. HOYT, Deputy Manager.

CHICAGO OFFICE:
203—205 LA SALLE STREET

ILLINOIS, MICHIGAN, IOWA, WISCONSIN, MINNESOTA, MISSOURI, COLORADO, DAKOTA, KANSAS, NEBRASKA, MONTANA, UTAH, WYOMING AND NEW MEXICO, INDIAN AND OKLAHOMA TERRITORIES.

W. S. WARREN, Resident Secretary.
GEO. H. MOORE, J. V. THOMAS, Assistant Secretaries.

NEW ORLEANS OFFICE:
CORNER CARONDELET AND COMMON STREETS.

LOUISIANA, MISSISSIPPI, ALABAMA, GEORGIA, FLORIDA, TEXAS.

CLARENCE F. LOW, Resident Secretary.
J. G. PEPPER, Assistant Secretary.

SAN FRANCISCO OFFICE:
422 CALIFORNIA STREET.

CALIFORNIA, NEVADA, OREGON, WASHINGTON, IDAHO, ARIZONA

CHARLES D. HAVEN, Resident Manager.
C. MASON KINNE, Assistant Secretary.

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The Weekly Underwriter:

AN INSURANCE NEWSPAPER.

ESTABLISHED 1859.

VOL. LXXIX. NEW YORK, SATURDAY, NOVEMBER 14, 1908. No. 20.

Published every Saturday by the Underwriter Printing and Publishing Company.
Subscription price: Five Dollars per annum in advance.
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Checks and money orders should be made payable to the order of THE WEEKLY UNDERWRITER.
Entered at the New York, N. Y., Post Office as second class matter.
CHARLES A. JENNEY, President and Treasurer. L. ALEXANDER MACK, Secretary.

THE idea of a legislator with a "bug" in his bonnet is not a new one. The companies have suffered from those of his ilk for many years. But in California they now are after a bug of the genuine species. A movement is on foot to insure owners of fruit groves against the expense of fumigation against insects. The news dispatch fails to state the basis on which premiums will be charged —whether it will be on the number or quality of bugs killed, so much per tree, or the perspective amount of fruit saved. It certainly opens up a new field for high class inspectors and healthy outdoor employment. The report has it that the company will be conducted on the same lines as the mutual fire insurance companies.

AN encouraging illustration of underwriting co-operation is furnished in the announcement emanating from Hot Springs, Va., where the executive committee of the International Association of Accident Underwriters has been holding a meeting this week, that the prominent casualty organizations are to assemble in New York city on November 20 to take up the question of the taxation of insurance premiums. This decision is all the more notable considering that only last week we chronicled the announcement of the taxation conference of the life insurance companies to be held in December under the direction of the Association of Life Insurance Presidents. The companies have begun at the right end to curb anti-insurance legislation, and the meeting of the executive committees of the various casualty organizations next week should result in the formulation of some definite plans which should be placed in the hands of a competent joint committee to act in conjunction with the Association of Life Insurance Presidents. The time is ripe for taxation reform, and it is commendable that the casualty organizations have joined hands in the movement. The slogan, "taxation for supervision cost only," should be a popular one in legislative halls this winter. Now that the life and casualty interests have both taken up taxation reform the fire insurance interests should next be heard from, as they have been equal sufferers from occupation, franchise and premium taxation in various forms.

THE result of the late Presidential election will undoubtedly be a deadly blow to the bank deposit insurance idea. If so, much good will have been accomplished. The principle involved is a pernicious one, depending as it does on the logic that the provident should be forced by law to pay the cost of the mismanagement of the frenzied financier. It places the strong, well managed bank upon the same basis as the newly organized institution, and tends toward misplaced confidence in speculative trust companies. It nullifies a reputation for honest dealing and sound banking and places a premium on "wild cat" methods. It was unsuccessfully tried in Oklahoma. When the national banks in the new State learned that they would not be permitted to engage in such a plan they surrendered their charters and became State banks. The deposit insurance idea is no new one. It was tried and abandoned in New York State a number of years ago. The fallacy in the principle was easily apparent when times of stress came. On the contrary the individual deposit insurance idea is sound enough, but it has not been pushed to any great extent by casualty companies. As the premium depends on the size of a man's bank account, it is a hard business for the agent to secure, and the commission is apt to be small. Besides, the agent has no way of accurately determining in advance the size of the prospective policyholder's bank account, as many rich men carry a very small cash balance. The man of small means, on the other hand, does not feel he can afford to lose a percentage of his interest to pay the cost of his deposit insurance.

THE outcome of the far famed McCue case, where the question involved was whether the life insurance policy of an executed murderer should be paid, will be a surprise to life underwriters. The United States District Court held that it was against public policy to pay such a claim, but the decision of the United States Circuit Court of Appeals at Richmond, Va., as announced this week, reversed the lower court, remanded the case and held that the Northwestern Mutual Life was liable. J. W. McCue, it will be remembered, took out a policy for $15,000 on March 15, 1904, paying for it by his note. Eight days before this note was due he was arrested for the murder of his wife. The note was paid at maturity, but on February 10, 1905, McCue was hanged. The lower court, in finding for the company, declared that the payment of the life insurance policy of a murderer was against public policy, and that it was not the province of a life insurance company to cover such contingencies. A writ of error was granted, and the action was carried up on appeal with the above result. It is doubtful if the result of the decision will be to increase the number of murders. Suicide claims have been paid for many years by life insurance companies, and self destruction must be premeditated. Murder may be premeditated, but often is not. The beneficiary for whose protection life insurance is carried cannot be held responsible for the manner in which the insured shuffles off this sphere. Besides, there is no specific statement in the policy contract that murder invalidates the policy. The decision must be looked upon, therefore, as the upholding of the policy contract between the insurer and the insured.

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Facts and Opinions.

The **annual meeting** in Boston on Tuesday of the **Boston Board of Fire Underwriters** developed more interest than any similar meeting in some years owing to the filing of independent tickets nominating F. Elliott Cabot for secretary to succeed the late Osborne Howes, and Edmund B. Cowles for the executive committee. The nominating committee had named the acting secretary, Warren S. Colegrove, for secretary, but he was defeated by Mr. Cabot, the vote being 26 to 17, with one member not voting. Out of the entire membership of forty-seven in the board forty-four votes were cast. Mr. Cowles defeated Frank A. Dewick for a place on the executive committee by two votes. Acting Secretary Colegrove will likely be appointed assistant secretary under Mr. Cabot. President E. C. Brush was re-elected president. The full list of officers and executive committee chosen was as follows: E. C. Brush, president; Augustus S. Lovett, vice president; F. Elliott Cabot, secretary; A. Jarratt Lewis, treasurer; Charles B. Wheelock, James H. Carney, Harry H. Whitney, Edward F. Woods and Edmund B. Cowles, executive committee. In reviewing the work of the organization for the past year President Brush said in part as follows:

We are steadfastly continuing our efforts to reduce the waste of property by fire in this community, and during the past year our inspectors have made 1,900 more inspections than in the year previous, reaching a total of 12,370 inspections for this twelve months. It is a pleasure in this connection to say that the property owners are co-operating with us in greater number, year by year, as they realize the work we are doing. During the year twenty-two first class or fireproof buildings have been completed, making a total of 337 buildings of this construction erected since our inspections of the class began in 1897. The assessed value of first class buildings completed in Boston between May 1, 1907, and May 1, 1908, amounts to $3,886,000, and the assessed value of the 337 first class buildings referred to above amounts to $47,912,500, and there are twelve fireproof buildings now in process of construction. About 379 visits were made this year by our inspectors to fireproof buildings in process of construction, and the electrical department has received from contractors for electrical work 7,645 notices of new or altered electrical installation requiring the attention of our inspectors. The heaviest loss during the year attributed to electricity was in the building No. 68 Long Wharf, where investigation showed that the fire originated from a short circuit in a pendant cord which had been hung over a nail, a practice, says the inspector, frequently followed in spite of all efforts on our part. The sprinkler department reports thirty-five fires in risks automatically sprinklered during the year. These were extinguished or held in check by the sprinkler equipments, after entailing a loss of $16,154.30, or an average loss of $461.55 for each fire. I regret to have to record the loss by death during the year of two of our members, Frederick B. Carpenter, a former president of this organization, who died on November 4, 1907, and James Bruerton, a valued adviser and accomplished underwriter, who passed away on January 22, 1908.

Some thirty local and twenty special agents attended the third annual meeting of the **Vermont Association of Local Fire Insurance Agents,** which was held last Thursday afternoon and evening at the Hotel Berwick, Rutland, Vt. A demonstration of the Rutland high pressure system was given during the afternoon. President F. E. Alfred in his address referred to the importance of establishing a separate insurance department. Additional regulations protecting expirations were adopted as suggested by President Beardsley. Officers and executive committee were elected as follows: President, F. H. Burnham, Rutland; vice presidents, M. L. Lawrence, Springfield, and Joseph W. Fowler, Manchester; secretary, F. L. Brigham, Bradford; treasurer, H. I. Norton, Bennington; executive committee, E. L. Walker, Bellows Falls; Norman N. Atwood, St. Albans; H. H. Hickok, Burlington; J. N. Webster, Barton, and A. E. Watson, White River Junction. In the evening a successful banquet was held at the Berwick, at which President Beardsley spoke in his usual happy vein. He said in part as follows:

The success of the National Association up to the present time is due largely to the fact that its members have shown in their deliberations the same qualities of conservatism and level headedness for which the agents of Vermont are noted, and we need and must have the support and assistance of men of your character if the association is to grow and continue in power and influence. The National Association needs you and you need the National Association. You all believe that a local agent should have the sole representation of each company in his office for the territory covered by his commission. The National Association believes it, too, and is doing everything in its power to bring appointments down to a sole agency basis. You are opposed to overhead writing in every form, and feel that you should have the privilege of writing every policy issued by your companies upon property located in your territory and receive a commission upon the premium. The National Association is also opposed to the proposition, and has used its influence against it to such good effect that the evil has been almost entirely eradicated. You believe that you have a right to the ownership of your expirations, and that the business you have built up by years of hard and persistent work and careful attention to details is yours to keep if you wish—and to sell if you please. The National Association is so thoroughly in accord with your ideas upon this point that it has taken the matter at its own expense to the Supreme Court of the United States, and has secured a decision that establishes that right beyond any question. These are only a few of the things that the National Association has done and is doing for every local agent in the United States, but these cases are important and of sufficient importance in my opinion to already entitle it to the life membership of every thinking local fire insurance agent in this country.

The **use and occupancy cases** growing out of the fire at the **Grand Pacific Hotel** in Chicago in February last were decided in favor of the insurance companies this week by Judge Dupuy. The Grand Pacific Hotel case is understood to be the first instance in either the American or English courts involving use and occupancy insurance, although there have been many cases growing out of similar insurance on rates. The case had been submitted to an agreed statement of facts and the loss under the use and occupancy clause had been fixed at $233.33 per day, the point in question being how long this should apply. The insurance companies held that it should be until the building could be repaired by reasonable diligence, agreeing to pay $12,747. The building was restored within that time, but the hotel people held that the fire made possible the cancellation of their lease, it carrying a provision to that effect, and that, therefore, they should receive the per diem until September 1, when the lease would have expired in any event. This would practically make the use and occupancy insurance leasehold insurance, and the point was closely contested by the companies. It was contended for the Grand Pacific Hotel Company that contracts of insurance are always regarded as contracts of indemnity, and so should be construed to afford indemnity if the loss admitted such construction. The hotel company held that the loss of the leasehold by the plaintiff was the direct result of the fire, and that he should be indemnified therefor. Judge Dupuy ruled that the contract was plain and unambiguous, and therefore not open to construction, and that no such construction as was now sought to be placed upon it by the plaintiff was in the minds of the parties when the contract was made, the insurance companies having had no notice of the peculiar terms of the lease. The case will be appealed.

The delay in getting **water** on the **Walker street blaze** on Friday last is blamed on the Fire Department of New York city by I. M. De Varona, chief engineer of the Board of Water Supply, who denies that the high pressure mains are faulty. He states that the trouble was in the delay in calling upon the high pressure service. In regard to the affair he is quoted as follows:

There is absolutely no evidence that the high pressure system was at fault in this case, and there is every reason to believe that no water was obtainable because of inefficiency either in the apparatus or in handling it. The high pressure hydrant which was alleged to be at fault is located at West Broadway and Walker street. In the immediate vicinity are five other hydrants to which it would have been very easy to couple hose had there been any delay in getting a stream. As a matter of fact there was nothing the matter with the hydrant itself, or with the water supply. The hydrant

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was taken apart by our men in the presence of Mr. Enks, of the German-American, at a recent demonstration of the high pressure service, and it was found in working condition. This hydrant was attached to the water tower by a siamese coupling and enough pressure, at least 100 pounds, was generated to raise the tower, and then the flow of water is said to have stopped. If this is so, the valve in the siamese coupling, which is a part of the water tower apparatus, and has nothing to do with the hydrant, must have been closed or else the water tower itself is faulty. The latter theory is given plausibility by the fact that this same water tower failed to work, and we were told that it had been plugged up with a pebble. As additional evidence that there was nothing the matter with the hydrant, it is a fact that at the same time water ceased to flow from the tower a line of hose, coupled to another of the hydrant's four plugs, was getting plenty at a pressure of 125 pounds. There was no delay in getting water after we received the call for it, but there was a delay of twenty minutes between the time the alarm was turned in and the time the call came to pump.

Premium taxation on a percentage basis and sufficient only **to maintain** the **cost of supervision** by the insurance department was advocated on Wednesday at the hearing granted the life insurance interests by the Wisconsin State Taxation Commission. The results of the meeting, which was held at Madison, Wis., will be incorporated in a report which will be presented to the next Legislature. The injustice of the present tax laws in Wisconsin was shown up by Judge George H. Noyes, counsel for the Northwestern Mutual Life. He stated that the Northwestern was compelled to pay a tax on gross premiums amounting to 14.9 per cent., while in the majority of States a tax of 1.7 per cent. on the average was imposed. He cited the case of the New York law, which imposed a tax of but 1 per cent. on gross premium receipts. General Counsel Robert Lynn Cox, of the Association of Life Insurance Presidents, coincided with Judge Noyes, and called the Wisconsin system a tax upon franchise, the premium serving merely as a yardstick by which tax is measured. He did not believe in an ad valorem system of taxation. L. A. Anderson, actuary for the Wisconsin department, urged taxation on investment elements of policies, represented by reserve and surplus. President George C. Markham, of the Northwestern Mutual Life, urged simply a decrease in the rate of taxation in Wisconsin, and he asked this State to join Massachusetts in getting down to the basis of other States.

There will be **no return to** the **15 per cent. brokerage** rate paid by the fire insurance companies previous to the San Francisco fire in the congested district of New York city, as a result of the petition presented by the brokers at the meeting on Wednesday of the New York Fire Insuranc Exchange, which had for its object increasing the commissions from 10 to 15 per cent. After the petition, which suggested an amendment to the Exchange agreement on brokerages, had been read, C. F. Shallcross, of the Royal, who was president of the Exchange at the time of the San Francisco fire, explained the position taken by the companies at that time. Mr. Shallcross read several letters bearing on the claim made by the brokers as to representations made to them at a meeting in the office of the Royal on May 10, 1906. He went over the ground covered at the meeting two years ago, explaining the representations made as he recalled them, and said that he could readily see how the brokers had got the idea that the reduction was to be only temporary. Nevertheless he pointed out that he had no authority to make any promises for the restoration of brokerages, as had been suggested in the brokers' petition. At the conclusion of the remarks of Mr. Shallcross several prominent underwriters arose and stated that they also were at the meeting in May, 1906, but that they had no recollection that any promises or intimations for restoration of brokerages had been made to the brokers.

The **Rough Notes Company** of Indianapolis has printed in a **bound** volume the lectures delivered last winter before the Fire Insurance Club of Chicago, under the title of "Building Construction and Other Lectures." The book contains 100 pages and includes five **lectures on building construction** by Joseph B. Finnegan, Assistant Professor of Fire Protection Engineering at Armour Institute of Technology. He also contributes two lectures on automatic sprinkler systems and one on municipal water supplies. Forms and clauses are ably discussed in an exhaustive lecture by P. D. McGregor, manager of the Western department of the Queen, while the subject of versatility in the insurance business is discussed by W. C. Boorn, assistant general agent of the Western department of the Hartford Fire. There are three lectures on plate glass, burglary and surety insurance by A. R. Sexton, a general agent of Chicago, in which the subject is discussed in an interesting and instructive manner. The final lecture is one on the tornado insurance policy considered from its legal aspect by Guilford A. Deitch, of the Indianapolis bar. The book is attractively bound in red buckram with gold lettering and is sent postpaid for $1.06. Any practical underwriter should be able to find instruction and inspiration between the leaves.

The progress of the **Columbian National Life** of Boston in the first nine months of the present year is commented on by Franklin W. Ganse, vice president and director of agencies, in the following remarks addressed to the policyholders and stockholders. He says in part:

The progress of the first nine months of 1908 is an indication of our future. Every month has shown a gain in applications received. This increase, maintained for a few months more, will give us a satisfactory volume of business. Never has the company been sought and found by as many desirable field men as in 1908. This is even more significant than the gain in applications, for it means a larger and larger gain hereafter. It means good life insurance times for us. Even if we grant that a majority of insurers may continue to take participating policies, the large and growing minority who are buying non-participating ought to keep us very busy. Many of the largest companies of New York, Connecticut and New Jersey, including the "Three Giants," issue only participating, and yet about 43 per cent. of the ordinary business issued by the companies of those States is non-participating. We must not be satisfied until we bring the Massachusetts end up to something like the showing in these nearby States. This means writing four or five times what we are writing now, in our first year on this basis. As the only Massachusetts life, health and accident company, we have an equally large opportunity. Accident and health insurance is comparatively new. Less than 1,000,000 persons have been insured, a small fraction of those needing the protection. Insufficiently as the life field has been occupied, this one has been much less cultivated. Never before has the representative of a Massachusetts company been able to offer both forms of protection. We must not be satisfied until we bring the Massachusetts end of the accident and health business up to something like its proper showing.

An important decision on the powers of fire insurance agents to bind their companies has been handed down by the United States Circuit Court of Appeals at St. Paul in a case carried up by the Royal from the northern district of Iowa. It upholds the contention that the **local agent** of a company **cannot bind** the **company by oral contract.** The agent who issued the policy on the stock of goods involved verbally consented to an encumbrance, on the representation that the bill of sale was intended as security only. The Circuit Court of Appeals holds that the contract provided that no waiver of any provision or condition thereof by an agent should be valid unless the same was indorsed in writing upon or attached to the policy. This stipulation being a commendable one and in no case violative of the statute, the oral consent must necessarily fail. This decision differs from that in the case of the Grand View Building Association against the Northern, which was carried up to the Supreme Court of the United States and was decided in favor of the company, in that the Grand View case related to the agent's oral consent to other insurance, while the Royal case refers to the giving of a chattel mortgage without consent.

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The Board of Aldermen of **New York city** on Tuesday voted $1,800,000 to **extend** the **high pressure service** through the thickly populated East Side. The territory to be covered by the extension is south of Fourteenth street and east of Third avenue and the Bowery to Chambers street. This step was taken on the suggestion of Water Commissioner O'Brien, who pointed out in a communication to the board that "the successful operation of the system since it was officially put into service on July 6 last leaves no longer doubt as to its efficiency and the great advantages to be derived from its use." He also called attention to the fact that petitions for the immediate extension of the system have already been received from the fire department, the New York Board of Fire Underwriters and several civic associations. He stated further that the extension of the system from Chambers street to the Battery, although necessary, can be postponed temporarily, but that the extension through the East Side is needed at once. The high pressure service already installed has cost the city $5,425,400. Of this amount $3,950,400 has been spent in Manhattan and the rest in Brooklyn.

Life insurance companies have little to hope for during the next session of the **Wisconsin Legislature.** Commissioner Beedle, who was awarded the nomination by the board of canvassers of the direct primary vote by a majority of 138, pulled through at the election because of the enormous Taft vote. Speaker Ekern, who failed of a nomination but ran independently and was defeated on Election Day, will not be so overpowering a factor as at the last session. He has announced his determination to use every effort to complete his life insurance reforms by urging the enactment of the valuation and policy schedule laws. Mr. Ekern is now being urged for the position of Deputy Insurance Commissioner, and should he accept the insurance interests may expect a strenuous time. Liability and industrial insurance are also to receive attention, while the State tax commission is to report upon taxation of life insurance companies.

The **Individual Underwriters of St. Louis,** which operates on a non-competitive basis as a surplus line company, shows a remarkably fine loss experience. From the date of organization of the company in October, 1902, up to November 1, 1908, the premium receipts amounted to $597,926. Losses have been paid amounting to $284,340—or 47.5 per cent. Exclusive of losses paid on account of the Baltimore and San Francisco conflagrations the losses amounted to $216,873, or 36.2 per cent. of the premium receipts. The Individual Underwriters will not write any line until the stock companies are "full up" on it, when lines will be taken at full tariff rates. The company operates on a low expense ratio, the figures for last year being about 19 per cent. George D. Markham, of St. Louis, is president, and prominent capitalists of the Central West are among the underwriters.

Promoters of life insurance companies are remarkable for the ingenuity they display in getting the public interested in buying stock in the new companies which nowadays are springing up all over the country. Recently a little girl walked into the office of a large Western agency to renew her regular weekly order for lead pencils and erasers, which she had peddled in the insurance district of that particular city for over a year. Before turning to go after having disposed of the usual allotment of writing materials she said: "Don't you want to buy some life insurance stock?" The manager stared in blank amazement and the question was repeated. "A man told me," the girl went on to say, "that he would pay me $20 for every share of life insurance stock I sold, so if you want to buy some won't you please buy it from me?"

It is pretty hard on the trustful policyholders of a State when the **bulletins** of the **Insurance Department** give them **false information** even unwittingly, but accidents will happen in even the best regulated families, as the following clipping from the October Bulletin of the Alabama Insurance Department clearly shows:

> Mr. William W. McClench, who has been counsel of the Mutual Life of New York for nineteen years, and who was second vice president, is now the president of the company, succeeding John A. Hall, whose death occurred recently.

Of course the change referred to is the election of a new president for the Massachusetts Mutual Life of Springfield to succeed the late John A. Hall. President Charles A. Peabody, of the Mutual Life of New York, is still very much on the job, we understand, and is likely to remain so.

The **Chicago** Board of Underwriters has appointed a committee of five to confer with the city authorities regarding a proposed ordinance requiring **standard standpipes** and **fire pumps** in all buildings of 100 feet in height, that can be used by the city fire department. For some time C. E. Affeld, of Witkowsky & Affeld, the Chicago insurance firm, has urged this as a solution of the hazardous conditions presented by the congested district, and as a ready means of protection until the proposed high pressure system can be installed. His theory is that each building can thus be equipped to take care of any fire within itself or in its neighborhood without being forced to depend upon engines outside, and that possibly these water supplies can be connected up so that one building can help another.

The result of an examination of the **Northwestern Fire and Marine** by the Minnesota Insurance Department, made as of July 31 last, shows an income of $706,554.40 from January 1, 1908, to July 31, and disbursements during that period of $560,212.77, with total admitted assets of $872,606.52. The capital of the company is $300,000, and an impairment is shown of $26,586.19. The surplus to policyholders is $273,413.81, and total liabilities, including capital, of $899,192.71. Regarding this condition the department's bulletin says:

> The liabilities as above stated included a special reserve for hail losses of $202,900.14. The sufficiency of this reserve was tested by the department on October 1, 1908. The reserve was found to be in excess of the actual requirements by about $30,000, an amount sufficient to cover the impairment of capital existing on July 31. The company proposes to increase both its capital and its surplus.

The United States Circuit Court of Appeals has reversed the decision of the United States District Court, which held that the beneficiary under a life policy could not collect the proceeds, the insured having died on the gallows. The case was that of **J. W. McCue versus Northwestern Mutual Life** of Milwaukee. The case has been in the courts for three years. In 1904 the Northwestern Mutual issued to James McCue, of Charlottesville, Va., a ten year renewable policy in the sum of $15,000. The insured gave his note for an amount sufficient to carry the insurance for eighteen months, which included the first year's premium. Eight days before the note was due McCue was arrested on a charge of having murdered his wife. The note was paid when due, and McCue was convicted and hanged.

Philadelphia agents of the **Equitable Life Assurance Society** were tendered a testimonial dinner on Tuesday by President Paul Morton and Vice President George T. Wilson in behalf of the company to show appreciation for the wonderful record of the Philadelphia agents for the last ten months, when

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$8,000,000 was written. E. P. Langley, Philadelphia manager, presided at the dinner, which was held at the Bellevue-Stratford. The following spoke in addition to President Morton and Vice President Wilson: W. E. Taylor, superintendent of the Eastern States; W. E. Wilkinson, chief medical inspector; Dr. Franklin M. Wells; G. F. Brophy, superintendent, and the following Philadelphia representatives: A. H. Graham, W. L. Megary, E. O. Mosier, Jacob Weil and M. M. Tate. Seventy diners attended.

The **New York Life** paid 577 **death claims in October**, amounting to $1,664,919.56, and to living policyholders in that month 4,888 claims, aggregating $2,414,736.90. During the same period 6,300 people applied for insurance and 80,000 people paid their renewal premiums to the company. The claims were paid for death from the following causes: Consumption, 66; pneumonia, 21; bronchitis, pleurisy, etc., 9; typhoid fever, 41; other diseases of digestive organs, 32; Bright's disease, 51; accidents, 43; apoplexy, 33; nervous prostration, congestion of brain, etc., 9; spinal disease, 14; heart disease, 54; diseases of arteries, 9; appendicitis, 9; rheumatism, 3; cancers and tumors, 44; paralysis, 18; diabetes, 8; liver disease, 17; old age, 5; blood poisoning, anemia, etc., 4; all other causes, 87.

City officials of **Columbus, S. C.**, are taking much interest in the final decisions by the courts on the insurance contest over the payment of city **taxes**, involving nearly $7,500. It will be recalled that about a year ago it was brought out that the insurance companies paid their licenses instead of a special tax and had always considered that the license took the place of this tax. The city has held, however, that the companies were liable for the taxes for the past six years and suit has been instituted to collect the sum. The life insurance companies are said to be liable for $4,492.45, the foreign fire and marine companies for $780.35, the United States fire insurance companies for $1,817.23 and the casualty and guarantee companies for $435. These are the tax figures for 1908.

A compromise offer has been made by the **Union Central Life** of Cincinnati in connection with the **tax suits** instituted against the company by Former County Treasurer R. K. Hynicka, which seek to collect back taxes amounting to $3,000,000. The offer made by the company is a lump sum of $750,000, which with the sum already paid by a former verdict will amount to $1,000,000 in all, or just one-third of the amount asked. The company claims if it is compelled to pay $3,000,000 it would seriously injure it and almost drive it out of business. Judge Harry Hoffheimer, of the Supreme Court, before whom application was made, has taken the matter under advisement and asked the attorneys to appear before him at a later day in connection with the subject.

The **lake marine season** will end December 5. Although the volume of premiums has been greatly reduced, owing to the falling off in shipments and the number of large fleets which carry their own insurance, losses so far have been comparatively few. The heaviest losses, however, usually come during the closing weeks of the season. The falling off in premiums this year is estimated at 40 per cent. in spite of the increased rates charged on hulls. The principal losses so far have been from strandings, and were largely due to the forest fires in Wisconsin and Michigan, making navigation difficult at the rivers and straits. The losses from strandings due to forest fires are estimated at a million dollars.

A report on the **fire hazard of Erie, Pa.**, has been made by the engineers of the committee on fire prevention of the National Board of Fire Underwriters. The management of the municipal water works is declared to be efficient and the fire department is characterized as fairly efficient, though there is a lack of hose and chemical service is deficient. A summary of the conflagration hazard says:

> Conflagration hazard of the principal mercantile district mainly moderate, except that serious fires are possible in several blocks, but these should be local. The probabilities of serious fires are increased by the weak fire department, deficient water supply and very unreliable fire alarm system. Large fires can easily occur in manufacturing districts, but these should be confined to their place of origin. Hazard in minor mercantile section small.

The **salvage corps idea** originated in New Brunswick, N. J., in 1820, according to John P. Wall, chronicler of the early history of that city. In that year the city council named nine citizens to act as "bagmen," whose duty it was to attend fires equipped with large leather bags, in which valuables were placed and removed to a place of safety until such time as the property could be identified. A salvage corps these days is a practical adjunct of every well equipped fire department, and the one in Newark, N. J., has recently attained the dignity of an automobile truck to facilitate the work of the patrolmen. Strange to say New Brunswick has no salvage corps at all at the present time.

The **transfer of policyholders** from the Mutual Reserve to the **Postal Life** is still going on, according to the following letter received by the Alabama Insurance Department:

> Your letter of recent date received. The Postal policies in exchange for Mutual Reserve policies are now being written, and will be sent to the insured as soon as possible. We have endeavored to be as prompt as could be in attending to correspondence, but some letters we presume have been delayed because we have simply been overwhelmed with the amount of insurance offered for transfer.

Memorial addresses in honor of the **late Grover Cleveland** will be a feature of the first morning's session of the forthcoming annual meeting of the Association of Life Insurance Presidents. President Paul Morton, of the Equitable Life Assurance Society, and Dr. John H. Finley, president of the College of the City of New York, both of whom were personal friends of the late statesman, will deliver addresses in his memory.

The appeal of the **Commercial Union** from the decision in the United States Circuit Court in favor of the Pacific Union Club of **San Francisco** relative to the **losses** of April 18, 1906, has been submitted on briefs before the United States Circuit Court of Appeals. Similar action was taken by the Norwich Union Fire against the same club. The matter was taken under consideration by the court.

At the annual meeting of the International Association of Fire Engineers it was reported that over 100 cities and towns had already adopted the **standard couplings for hydrants** and hose. Resolutions were unanimously adopted indorsing the standard and urging each member to have such standards adopted in his own city and in all adjacent towns, so that the departments could co-operate.

The committee appointed at the last annual meeting of the National Convention of Insurance Commissioners to consider the paper read by Insurance Commissioner McGivney, of Louisiana, on the **expense cost in fire insurance** met this week

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at the Hotel Manhattan. It was decided to communicate with Mr. McGivney and from other sources get sufficient data upon which to base a report.

The point that a **son** has an **insurable interest in** the life of his **mother** was decided in the affirmative by the Kentucky Court of Appeals a few days ago in the case of Joe Woods et al. vs. the Equitable Life Assurance Society. The policy involved was for $10,000, and the insured died intestate. The decision reversed the judgment of the Shelby Circuit Court.

The Appellate Division of the Supreme Court of New York has made an important **interpretation** of the **standard fire insurance policy** in the case of Jay E. Phillips vs. the Home. The court held that goods burned which cannot be replaced for cost of manufacture shall be valued at actual cash value. The loss involved a straw hat factory.

The Insurance Commissioner of **Texas, Thomas B. Love,** has renewed his campaign for a **State rating commission** to fix fire insurance rates. He will submit a bill to the next Legislature creating such a commission, and making illegal the collection of higher or lower rates than those fixed by it.

It is reported semi-officially that **President McAllister,** of the **Franklin Fire,** is **to retire** soon because of impaired health, and that he will be succeeded by Alfred E. Duncan, special agent of the Phœnix of Hartford in the Middle department.

The **National Fire Protection Association** has joined as an active member the Conservation League of America, and has appropriated $500 to bring before the people the benefits of the association's suggestions for the reduction of the fire waste.

It is reported that the bid of the Liberty Life of New York for the business of the **Mutual Savings Life** of New York has been accepted by the directors subject to the consent of the members and of Insurance Superintendent Kelsey.

The **Home** of New York is issuing a series of **automobile policies** covering against fire, explosion, lightning, theft, robbery and transportation hazards. The rate is 2½ per cent., with a commission of 15 per cent.

The Attorney General of **Kansas** has given the Insurance Department a ruling that fire companies must pay **taxes** on the gross premiums collected and actually earned, without regard to deductions for reinsurance.

The **Scranton Mutual Life** has been reorganized and placed on the stock basis with a $300,000 capital. A charter has been granted under the name of the Scranton Life insurance company.

The examination of the **Equitable Life Assurance Society** by the New York Insurance Department is still in progress, and will not be completed for some time.

The **Illinois Life** wrote $1,500,000 of new business during October, and is offering cash bonuses for November and December business.

The **Keystone Fire** of Philadelphia, which is being organized by Stone, Mathews & Co., will take the name Independence Fire.

Personal.

AGENCY APPOINTMENTS.

American of Newark: W. G. Shannon, special agent in Ohio.

Insurance Company of the State of Pennsylvania: Newman & MacBain, managers for New York State, in addition to metropolitan district.

Northern of London: Bartow Van Ness, special agent, succeeding John F. Ewens, deceased.

Union of Philadelphia: Newman & MacBain, managers for New York State, including the metropolitan district.

Mr. W. W. Grove, of the Hartford, was elected president of the Special Agents' Association of the Pacific Northwest, at the annual meeting at Seattle, with D. K. Atkinson, of the Northern, as vice president and W. C. Fowler secretary and treasurer. The association adopted resolutions favoring anti-rebate laws in Washington, Oregon, Montana and Utah.

Mr. W. H. Merchant, general agent for the State Life of Indiana in Oklahoma, is fighting improper methods in agency work. He has dismissed several agents for rebating and twisting, and has sworn out warrants for three others on charges of embezzlement. The latter are accused of selling policies and pocketing the premiums.

Mr. John B. Miller, who was for thirty years surveyor of the old Firemen's of New York and of the Sterling Fire, which is no longer doing business, died November 11, aged ninety-one years. He was one of the oldest of the veteran volunteer firemen in New York city and the oldest engineer of the old fire department.

Mr. Carl T. Prime, formerly secretary of the Security Life of America, has returned to the company with which he was first connected, the Royal Union Mutual Life, and has been appointed agency supervisor for eastern Iowa, with headquarters at Cedar Rapids.

Mr. E. S. Lewis has been elected to succeed P. M. Starnes, resigned, as president of the St. Louis National Life. Mr. Baird Pallette, the company's superintendent of agencies, has also resigned, and Charles E. Cox has been chosen his successor.

Mr. E. P. Boone, of the sprinkler department of the New York Fire Insurance Exchange, has been appointed chairman of the committee on automatic sprinklers of the National Fire Protection Association, succeeding E. U. Crosby, resigned.

Mr. Ralph F. Goddard, a Woburn, Mass., underwriter, who during the nine years ending with 1904 was a special agent for New England of the old Pacific Fire of New York, died suddenly of heart disease October 31, aged thirty-five years.

Mr. J. C. Clark, general agent for the Ocean Accident at Richmond, Va., has been appointed manager of the Credit Insurance Adjustment Company of Chicago, which handles the credit business of the London Guarantee and Accident.

Mr. C. A. Holt, from the home office of the Dixie Fire, Greensboro, has been appointed assistant to Special Agent Otis A. Murphey, of Atlanta, and the State of Florida has been added to Mr. Murphey's jurisdiction.

Mr. William H. Brown, secretary and treasurer of the Columbian National Life of Boston, has been elected a member of the board of directors of the company in recognition of his faithful service.

Mr. W. W. Dark, formerly secretary of the American Central Life of St. Louis, has been elected to the vice presidency to fill the vacancy caused by the death of the late Charles E. Dark.

Mr. Charles A. Norris, formerly vice president and secretary of the United States Fire of New York, has been elected president, to succeed President William W. Underhill, resigned.

Mr. J. J. Rogers, formerly superintendent of agents for the North State Mutual Life of Kinston, has been appointed inspector of agents for the Southern Life in North Carolina.

Mr. W. S. Cogburn, formerly with the Southern States Life, has been appointed superintendent of agents for the Southern Life of Fayetteville.

Casualty and Surety Insurance.

Unusual accidents of the week are as follows: While taking a bath in a porcelain bathtub in her home, a woman of seventy-six slipped in the water, striking her head on the side of the tub, and was picked up dead by her daughter shortly after.

A football player was paralyzed at Evansville, Ind., through injuries received in a game.

While escorting a young woman to her home two young men with a pistol discharged the weapon for fun to frighten the girl, and the bullet killed one of the jokers.

When his hand was drawn into a circular saw, a workman turned quickly and pulled it out, saving all but two fingers, which were sliced off.

A servant while housecleaning fell through a skylight, and alighting on a sideboard in the room below, was injured internally.

A sleepwalking girl of eighteen who was visiting friends walked out of a second story window in the night and was picked up with fatal injuries.

While knocking down apples from a tree, using his gun as a club, a young farmer was shot through the heart by the accidental discharge of the weapon.

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As a result of the poisonous mixture formed in a man's stomach as a result of taking a soft drink after some medicine, a New Yorker died of acetanilide poisoning.

A New York fireman had his head badly lacerated and his right arm injured by falling from the truck on which he was riding to a fire.

A nineteen months old baby was terribly burned about the face and mouth by upsetting over herself a mixture of concentrated lye which had been used for cleaning purposes.

Jumping off a trolley car to follow a thief who had robbed her, a woman fell on her head and also sustained internal injuries.

A hunter fell while penetrating a thicket and his gun was discharged, killing him instantly.

While attempting to drive his sheep into shelter during a snowstorm a Manitoba shepherd was frozen to death.

During a high wind a flagpole was blown from a school building in New York and struck a twelve year old schoolboy between the shoulders, breaking his spine and causing his death a few hours later.

Recovering from an attack of typhoid fever, a patient got the hiccoughs, and after hiccoughing incessantly for fifty hours, died from the attack.

While attempting to fell a tree a woodman's skull was fractured and penetrated by the pointed butt of a heavy limb which hit him in falling.

Swallowing a 2 inch nail a New Jersey man nearly choked to death, being finally relieved by having the iron cut out of his stomach.

A cigar butt carelessly left behind in a house by a smoker set fire to a tablecloth, and a woman was burned to death.

While a man was examining his revolver the weapon was discharged, instantly killing a companion.

Unable to escape from a house which was on fire, an aged cripple was suffocated by the smoke before rescuers arrived.

A young man, pushed from a window for fun, fell three stories, sustaining fractures of the leg and both elbows.

A Pennsylvania farmer met death in a peculiar manner. He was walking by the side of a team when a limb of a tree, in collision with the "gallows" of the wagon, broke it and the wagon pole, and the latter struck the young man on the head, fracturing his skull.

A large stone, thrown 200 yards by a quarry blast, caused the death of a sixteen year old girl who was lying in a tent in the vicinity.

Because he smoked a loaded cigar instead of giving it to the person for whom it was intended, a Pennsylvania politician had his moustache and eyebrows burned and his face scorched.

A playful puppy knocked against the cock of a gas stove after the family had gone to sleep for the night, and as a result his master's family was nearly asphyxiated.

Co-operation regarding taxation, with the Board of Casualty and Surety Underwriters and with other associations of casualty men, was decided on at the meeting of the executive committee of the **International Association of Accident Underwriters,** begun Tuesday at Hot Springs, Va. A committee to co-operate on legislation will be appointed to appear before the various legislatures this coming winter. The report of the auditing committee showed the finances of the association to be in a healthy condition. It was decided to strike off three McNeill medals at a cost of $100 each, which will be presented to persons performing acts of extraordinary bravery in the saving of human life. A committee was appointed to urge other similar organizations to meet at Niagara Falls next July at the time of the twentieth annual meeting of the International Association. The following casualty underwriters were present at the meeting, which was presided over by William Bro Smith, of the Travelers: Walter C. Faxon, of the Ætna Accident and Liability, of Hartford; H. G. B. Alexander, A. G. Forrest and R. A. Cavenaugh, of Chicago; Louis T. La Beaume and Christopher Ellerbe, of St. Louis; E. G. Robinson, of Mansfield; C. H. Boyer, of Philadelphia; William H. Jones, of Boston; William F. Moore, Louis H. Fibel and Edson S. Lott, of New York. The committee adjourned to meet in New York city on November 20, at which time the executive committee of the Board of Casualty and Surety Underwriters, the Liability Insurance Association, the Detroit Conference and the Federation of Commercial Travelers will also be in attendance, and plans will be perfected for placing before every policyholder the injustice of the present system of the taxation of insurance premiums by the various States.

The custom of paying **trivial accident and health** claims is discussed in the current issue of the *Industrial Review,* which makes the claim that brokers and physicians do much to encourage this practice. It points out that physicians exceed their authority in advising patients to claim indemnity for insignificant injuries. Commenting on the matter, our contemporary says:

> Agents and brokers consider the payment of claims as an advertisement to the company and a means of increasing their business, and they are undoubtedly right, but when they advise a customer to make a claim for a trivial accident or a slight illness, they are not only wronging the company, but also creating a precedent in the particular case, and especially is this true if the claim is paid, as the individual has learned by experience that it is not such a hard matter to receive money from an insurance company, and following opportunities are never allowed to pass without claims being made. Such a body of claimants who have been placed in this class by the agent or broker and oftentimes by the attending physician, do more harm to themselves than to the company, for the reason that the majority of companies cancel policies on the third claim and even before if they have reason to believe that the claimant is soon to become a chronic one. It is unfortunate that this condition of affairs exists, unfortunate to the company, the agent and the broker, because it first creates an individual, who has lowered his moral standing in his own eyes, if not in the knowledge of other individuals; secondly, because as soon as a casualty company suspects such a person and cancels the policy, that individual is practically forever barred further accident or health insurance, and such a debarment would not have existed had not some one volunteered advice which should never have been given.

The **Surety Association of America** was **organized** at the Hotel Manhattan on Thursday by representatives of fourteen surety companies attending the hearing of the fidelity and surety committee of the National Convention of Insurance Commissioners. The organization has for its objects the promotion of good will and harmony among the companies along similar lines to the Liability Insurance Association. Officers and executive committee were elected as follows: President, Edwin Warfield, president of the Fidelity and Deposit; vice presidents, Henry C. Willcox, vice president of the American Surety, and John R. Bland, president of the United States Fidelity and Guaranty; secretary and treasurer, William M. Tomlins, Jr., president of the Empire State Surety; executive committee, Edwin Warfield, H. C. Willcox, John R. Bland, William M. Tomlins, Jr., William B. Joyce, George Cator, T. J. Falvey, A. P. Redding and Louis A. Watres. The companies which are members of the new association are: American Surety, American Bonding, Ætna Indemnity, Bankers Surety, Citizens Trust and Guaranty of Parkersburg, W. Va.; Empire State Surety, Massachusetts Bonding, Metropolitan Surety, National Surety, Title Guaranty and Surety, People's Surety, Pacific Surety, United States Fidelity and Guaranty and United Surety.

A point of much interest is involved in the death of Dr. J. P. Haynie, a Richmond, Ind., physician, who **fell down a**

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stairway at his home several days ago and died soon afterward. It was reported at the time that Dr. Haynie's death was due primarily to the accident, it being presumed that the fall was sufficient to cause death; but as he held policies for accident insurance aggregating $10,000, the companies, the Travelers and the Fidelity and Casualty, raised the point as to whether the death might not have been from apoplexy or some other natural cause—the fall not being the prime cause of his death. Dr. Allen L. Bremkamp, coroner, has been making an investigation. There was no evidence, it is understood, of sufficient traces of an apoplectic condition to have caused death at that time. If it can be established death was not due to the accident the insurance companies will escape payment.

The **Chicago office** of the **Fidelity and Casualty** is still specializing on its $100,000 accident and health disability policy, with an annual premium of $500. It has already issued several hundred of these, and finds a fertile field for them among men of wealth, as the contract pays liberal returns in case of illness or accident. Wade Fetzer has just paid nearly $5,000 under one of these policies to John G. Shedd, president of Marshall Field & Co. Mr. Shedd injured his knee severely during an automobile trip in Italy this summer, and was paid for total disability for thirteen weeks and for partial disability for a shorter period. Mr. Shedd's commanding position in the commercial life of the country will be an excellent advertisement for this form of insurance.

At a meeting of the **Burglary Insurance Underwriters' Association,** held Tuesday, the report of the committee appointed to devise ways and means for meeting outside competition was adopted. It provides for absolute non-intercourse with companies not members of the association, which it is hoped to rigidly enforce. It is possible that the present contract may be further restricted as a result of some suggestions made at the meeting this week toward this end. A committee of four was appointed to gather statistics regarding premiums and losses in New York city. The adoption of the non-intercourse rule will, it is hoped, have beneficial effects.

The deer season is not yet open in Wisconsin, but in spite of this fact already **twenty-one hunters** have been **killed** and thirty-seven wounded in the last few weeks. There have been many accidents among those who have been hunting deer out of season as well as among the duck hunters. The injured have in many instances lost legs or arms as a result of their wounds. In two cases hunters shot by mistake for deer have been left to bleed to death. In these cases it is supposed the hunter who mistook a man for a deer ran away, leaving his victim to die, rather than pay the fine for hunting in the closed season.

With a view to obtaining good security rather than a low rate, the **$3,000,000 schedule** of the Missouri Pacific Railway Company has been placed with the **Fidelity and Deposit** of Baltimore through its St. Louis representatives, McLaren & Humphrey. So much store was set upon securing this business that rates were shaved to a minimum by the competing companies. Realizing that such a schedule could not be carried by any company at a profit on a rate as low as 25 cents, the railway awarded the contract to the Fidelity and Deposit at a considerable increase over the rates quoted by its competitors.

Present indications are that corporate surety will not be given for the **contract bond** on the new **Northwestern Railroad Station** in Chicago. The president of the road announces that satisfactory arrangements have been made with the contractor, and the contractor announces that he has complied with the requirement to the full satisfaction of the road. This secrecy is taken to mean that personal surety has been accepted, which is not strange in view of the close relations between the Northwestern and the interests back of the George A. Fuller Company, which has the contract.

The **Ætna Accident and Liability** announces that it is about to issue a series of new copyrighted **liability policy forms.** In the revision all the essential protective features of the original form issued in 1905 have been materially broadened in scope and simplified in arrangement and expression. The policy's insuring clause still agrees to indemnify for loss or expense arising or resulting from "claims upon the assured" for damages, etc.

Now that it is admitted to Florida, the **Continental Casualty** of Chicago is doing business **in every State** and Territory of the Union. The company is also writing insurance in the District of Columbia and Hawaii.

A minimum **rate** of one-quarter of 1 per cent. of the amount of the contract has been decided upon by the surety companies to apply on New York city **supply bonds** after January 1, 1909.

The **Empire State Surety** is increasing its premiums over $200,000 this year, the gain coming from other lines than liability, on which it is writing very conservatively.

The **reinsurance** of the **Consolidated Casualty** of Minneapolis by the National Casualty of Detroit has been permitted by Insurance Commissioner Hartigan of Minnesota.

The **Illinois Surety** of Chicago is being examined by the representative of the Surrogate's Court in New York. The company is writing this year at a $300,000 gait.

Obituary.

Dr. Walter R. Gillette.

Dr. Walter R. Gillette, formerly vice president of the Mutual Life of New York, died in Roosevelt Hospital, New York city, last Saturday afternoon from intestinal cancer, after being in poor health for several months. For thirty-six years up to April 1, 1906, when he resigned, Dr. Gillette had been in the service of the Mutual Life, serving in various capacities with marked ability. When he left its service he was vice president and general manager of the company. Because of dealings connected with the company's management, which were brought out during the Armstrong investigation, Dr. Gillette was tried on a perjury charge in October, 1907, was convicted and sentenced to six months in the penitentiary after evidence had been produced to show that his health was impaired and that long confinement would likely kill him. A few days later he was released on bail, and in June last the Appellate Division reversed his conviction. The worry incident to his trial and conviction had much undoubtedly to do with his breakdown in health and aggravated his disorder. He was born in Philadelphia sixty-eight years ago and was graduated from the Madison University, now Colgate, at Hamilton, N. Y., in 1861, and from the College of Physicians and Surgeons, New York city, in 1864. He served two years in the United States army at the front, as acting assistant surgeon. He was for thirteen years

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surgeon of the New York Post Office Department, and for fifteen years adjunct professor in the medical department of New York University. He was appointed on the medical staff of the Mutual Life insurance company in 1871, later on becoming a medical director until 1890, when he was appointed general manager of the company. In view of his professional services he was retained for many years as consulting physician at Bellevue, St. Francis, the Maternity and other hospitals of New York. He was a trustee of the Mutual Life insurance company, Guaranty Trust Company and the Lawyers' Surety Company. Funeral services were held on Tuesday from the residence of his son. Abram Gillette, 24 West Fortieth street, New York.

Insurance Legislation.

Complete copies of all important bills in the legislatures affecting insurance are on file in the office of THE WEEKLY UNDERWRITER.

Vermont.

MONTPELIER, November 12.—House Bill 36 provides that corporations are liable to any of their employees for all damages which may result from negligence or any defect or insufficiency due to their negligence.

House Bill 153 provides that a corporation shall be liable in damages for personal injuries, and the fact that the employee may have been guilty of contributory negligence shall not bar a recovery.

House Bill 154 provides that any employer shall be liable to his employee in an action for damages resulting to said employee by reason of any personal injuries received through the negligence of such employer.

Mr. Hyde has introduced a bill which provides that when a building is totally destroyed by fire the sum for which it is insured shall be deemed the true value thereof unless over-insurance thereon was fraudulently obtained.

Miscellany.

The Mutual Savings Life Insurance Society—Statement by William A. Fricke.

The society was organized June 2, 1902, by Miles M. Dawson under the fraternal insurance laws of the State, and presented as the ideal truly mutual company, combining the economy and mutuality of the fraternal order and the stability and security of the regular company by reason of the charter requirement to maintain the legal reserve.

No better or fuller opportunity was ever offered any man to give a practical demonstration of the soundness of his theories or the safety of his actuarial counsel than was given Miles M. Dawson in this society, for he controlled absolutely by vesting all powers and authority in a board of five directors appointed by him, and of which board he constituted himself the chairman. The affairs of the society are of interest only as evidencing the value of Dawson's great pretensions in other directions; with no glaring success to his credit as an actuarial adviser he has evaded every issue of responsibility, but in this child of his brain, with an absolute free hand and complete domination in every detail for six years, there must either be success to justify pretensions, or if a failure the demonstrations of merely a Big Noise—as many have claimed.

My experience with this society was short, bewildering and expensive.

When the matter of reinsurance was under discussion last November I met Miles M. Dawson, who informed me that propositions had been received from three companies with a bonus offer of $10,000 for the business of the Fellowship of Solidarity, but that they would continue if some one could be induced to take charge, and he asked me would I accept the presidency; I asked him whether they would apply for admission to Wisconsin and Minnesota, change the name, and elect the Hon. Elmer H. Dearth vice president, which he assured me would be done. Assuming that if the business on the books was worth a bonus of $10,000, and the society could be admitted in these States, that the then membership would form quite a nucleus to build on, I told him that I would consider such a proposition, but that I was leaving the next day to be gone for some time. He tried to persuade me not to leave but to take hold immediately, but as I could not do that he asked me to meet him at his uptown office next morning on my way to the train. This I did, where I was introduced to his man Best, and was informed that some $4,000 had been advanced to promote the growth of the society, and that they believed that such advances should be repaid, to which I agreed as perfectly proper, if it could be done without injury or detriment to the society. Again Dawson tried to persuade me not to leave town, but to give my acceptance immediately—this was impossible, and I left with a financial statement of the society and its literature, so that I might be able to inform myself of the conditions. While away I received almost daily letters and telegrams informing me that Dearth would accept the office of vice president if I accepted the presidency, and, urging me to send on my acceptance, which I did, making it conditional upon change of name, revision of constitution and full co-operation. Immediately notices appeared in the *Chronicle* and the insurance press that I had accepted the presidency of the "Fellowship of Solidarity," which was not true, but as I had no intention of returning for some time, and believing that by that time the changes agreed on would have been made I said nothing. For six weeks I received numerous communications from Dawson urging the necessity for my return, which I then did. Letters and telegrams bear out this statement, and disprove completely the statement of Dawson and his man Best of any strenuous anxiety on my part that the office of president be conferred as a favor. In the meantime I discovered that the society was not in condition by reason of its small membership and decrease during 1907 to be admitted into Wisconsin and Minnesota, but Dawson, who had only recently been admitted to the bar, thought he knew more about the law than I who had drafted and administered it, insisted that they could be admitted—until he tried to gain admission to Minnesota and failed.

The day after my return to New York I was invited to attend a meeting of the board of directors. Miles M. Dawson conducted the meeting and did all the talking. The advances made to promote the growth of the society was referred to by him; also a "Fellowship Syndicate" and "Wadsworth Contract," which I did not then understand; but a number of months afterward, in going over the minutes of the meetings of the board of directors, I found recorded in the minutes of this meeting two pages of resolutions, as suggested and offered by me, going into great detail as to the alleged indebtedness and how it should be repaid, although I was wholly ignorant of the matter. At the time I found this entry in the minutes I had become more familiar with Dawson's methods and purposes, and promptly supplemented these minutes by the addition of this memorandum which I signed:

"The resolutions appearing herein, as suggested and recommended by the president, were not offered by me as president, nor did I have any knowledge until today that such resolutions had been presented or incorporated in the minutes. I was present at the meeting December 11, 1907, at which meeting no such resolutions were offered. These minutes were drafted by Miles M. Dawson and by his orders inserted in the record."

Nothing had been done about changing the name or revising the constitution. I was compelled to draft a revision myself, and while doing so first realized how completely all the power and authority had been vested in the chairman of the board of directors of this truly mutual organization. It was a marvel of arrogation, and Dawson watched with zealous care that not too many of his prerogatives be eliminated, and it was only his fear that I would throw up the job that permitted me to go as far as I did. Just why the Armstrong Committee should have been led into such untried and political fields in their efforts to give the policyholders a chance and be permitted to overlook the cinch of their actuarial adviser—except upon the theory of the nigger baby—it was such a little one and ought not to count—is a mystery. The "Children of Israel," as the proxies of one of the companies were once playfully referred to, because they were never numbered, never gave more perfect control than did the regulations of Miles M. Dawson, by whom the methods of the Australian Mutual Provident Society have been held up as a constant and favorite example for others to follow, and to whom the control exercised by the managements of the Mutual Life, New York

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Life and Northwestern—until he helped to deform them—was a crying outrage upon the policyholders. Dawson's board consisted of five members, one to be elected every five years, which made it easier to control, and Dawson was always chairman. They were in continual executive session, nominated themselves and all other officers, were voted for by proxy. They canvassed the vote and declared the result. They did everything, and nobody else had anything to say. For two years, according to the records, the members were not even given the privilege of saying "aye" by proxy, and of the present board only one had ever been elected by the proxy vote of the membership, and his term expired in June of this year, and he continues to serve because the board of directors did not deem it necessary to call an election. Another "director," Dawson's brother-in-law, served without even being a member, his policy having lapsed, but he could always be relied on by Miles and ask for his dollar for attending the meetings; in short, according to Dawson's own constitution and regulations, not one of the board is legally a director in this truly mutual organization.

When Dawson resigned, rather than stand up and defend himself, he asked his man Best to step in and succeed him, although he knew that Best as a syndicate trustee was so anxious to be relieved of those responsibilities and of a possible personal liability—that he was strongly in favor of reinsuring in order that any bonus obtained might be applied to redeem syndicate certificates. Dawson's brother-in-law, although not a member, made the third at the meeting of the board, and proposed Best as a director and as chairman, and when they discovered three weeks after the meeting that their action was illegal—their attention having been repeatedly called to the illegality—they tried to correct it by rewriting the minutes of the meeting at which the action was taken, and in these rewritten and changed minutes brother-in-law does not appear to have been present, and although the whole transaction was illegal Dawson's man Best is still acting, and acting strenuously, so much so that when my resignation was presented and read, and the report of audit of the alleged claims was submitted, and the assistant secretary, believing that the minutes should be a correct record of the proceedings, incorporated these documents in the minutes of the meeting. "Chairman" Best at the next meeting showed his displeasure by cutting the leaves out of the minute book, and dictated just such minutes as he wished to have appear to his own stenographer, and so eliminated these documents.

The revised constitution could not go into force until after the members had voted their approval and the name had been legally effected, which was not until after March 9.

One clerk, acting as cashier, bookkeeper, stenographer and collector, was the entire office force, so that all the work incident to change in forms, blanks and contracts devolved upon me; and as a complete change in the system of accounting was necessary to enable me or anyone else to find out what was the exact condition of the society, this also devolved upon me, so that my entire time, Sundays, holidays and evenings included, with such help as the cashier could spare from her many duties, was devoted until nearly the end of May, when all and an examination were completed, so that I felt that I was conversant with all the details of the organization, and I then presented a report of my examination and the condition of the society to each director. This was the first complete report they had ever received, and was their first knowledge of the real conditions. The reason this report was sent to each director was due to the fact that Dawson as chairman would only submit such portions of any communication to the board as he by a hasty glance deemed necessary, and whenever he did submit anything to the other members of the board it was coupled with his opinion of the action to be taken and instruction to the clerk to put it down in the minutes. At no meeting of the board at which I was privileged to attend did I ever hear the chairman put any question to an aye and nay vote. His directions were always accepted without question save in one instance, when I appeared and objected to the reinsurance of the "contract reserve" members of the Mutual Reserve.

Dawson viewed my inquisitiveness as to the exact condition of the society and insistence of a correct system of accounting with much disfavor, and my report on the conditions was accepted as a personal reflection on him. While making my investigations I informed Dawson several times that were I still an insurance commsisioner and the society applied for admission license would be refused on account of the slipshod manner in which affairs were conducted. This, too, did not please our good and great friend, to whom nothing is so objectionable as an intimation that anything that he, Miles M. Dawson, created and fathered could have a blemish.

The condition as reported in my report was as follows:

The Fellowship of Solidarity was organized June 2, 1902, with a membership of 248.

On January 1, 1908, it had a membership of 206, with 321 policies in force; sixty-two of these policies, however, were being carried under the automatic loan provision, and June 1, 1908, thirty-eight had terminated.

From January 1 to June 1, 1908, the terminations were as follows:

Died	2
Terminated by application of reserve under automatic loan provision	38
Lapsed, 50 per cent. note lien plan	16
Lapsed, current cost plan	1
Lapsed, less than one year old	8
	65

leaving 231 as the remaining membership of the Fellowship of Solidarity on that date, with policies apportioned as follows: 31 policies on the current cost plan; 84 policies on the 50 per cent. note lien plan; 41 policies charged with policy loans, and nineteen of these had automatic loan charges; 34 policies had automatic loan charges, making a total of fifty-two policies to which privileges were extended. So that as a matter of fact there were less than forty fellowship members carrying full legal reserve policies by the payment of the full level cash premium, and having no loan or lien charge. Of the membership at this time twenty-four policies were terminated by the application of the reserve under the automatic loan privilege.

From the date of organization the society was under the immediate and constant supervision and control of its founder, Miles M. Dawson, and its growth and progress during such time was as follows:

Year Ending December 31.	Policies in Force.	Gain or Loss.	Expense Fund Receipts.
1902	191	— 57	$2,350.46
1903	230	+ 39	1,916.49
1904	238	+ 8	2,512.68
1905	333	+ 95	5,582.56
1906	341	+ 8	3,479.59
1907	321	— 20	3,711.26
			$19,553.04
Amount of claims filed for alleged advances to promote growth			18,079.88
			$37,632.92

The actual membership January 1, 1908, was 296, and of this number there were sixty-two members whose insurance was being carried under the automatic loan provision.

While the society showed a net loss of twenty policies during 1907, the new members gained were forty-three at a cost as follows:

Commission payment	$1,376.28
Syndicate claim for advances to promote growth	4,552.50
Miles M. Dawson claim for advances	901.04
Total cost for forty-three policies	$6,799.82
Average cash premium per thousand	19.03
Average cost per thousand	97.84
Average commission cost	514 per cent.

The same number of policies and same amount of insurance during 1908 were secured at a total commission cost of $872.88.

Average cash premium per thousand	$29.70
Average cost per thousand	13.00
Average commission cost	44%

No special effort was made to exceed the business of 1907; on the contrary, business was refused and postponed awaiting a settlement of existing conditions; no further effort for new business was made other than to secure a sufficient number of policies and amount of insurance for the purposes of a comparison of cost with that of 1907.

The current cost plan, and the note lien plan carried to the extreme of accepting a 50 per cent. annual premium charge as a lien against the policy, were objected to because of the large lapse ratio experienced on these plans as shown by the society's experience as follows:

Plan.	No. Issued.	Charged.	Died.	Lapsed.	In Force.
Current cost	129	4	2	92	31
Fifty per cent. note lien	174	4	3	83	84

Mr. Dawson's explanation for the issuance of these plans was "that the privilege of issuing them was given as a concession to the professed weakness of agents and canvassers."

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Under the law of its incorporation the society was prohibited from issuing any policy or make any promise or agreement, express or implied, for the payment of any greater sum of money than one periodical payment from all its members, and as the members were privileged to pay monthly the maximum policy which the society could issue under the law was $2,000; however, under the direction of Dawson the maximum issued on one life was $10,000, but even Dawson realized that this was more than the society should assume, so he directed that all over $3,000 should be reinsured, and in violation of the law entered into reinsurance agreements with two unauthorized companies. As the member was privileged to pay his premium in monthly instalments, and the reinsurance company required the annual term rate on the amount reinsured, there arose in every such case the necessity of encroaching upon the funds of other policyholders to pay the reinsurance premium, the society paying out more than it then received, and this was of annual recurrence, the effect of which was as follows:

(Continued next week.)

Fidelity and Surety Committee of National Convention of Insurance Commissioners Holds Hearings at Hotel Astor—Surety Company Representatives Discuss Situation.

The committee appointed by the National Convention of Insurance Commissioners at the annual meeting held in Detroit in August last, to discuss with the fidelity and surety companies questions relating to their business, convened at the Hotel Manhattan in this city on Monday.

The first day's meeting was an executive session, and little business was transacted excepting formulating plans for transacting business for which the committee was appointed. The second day's meeting was a joint session of the committee and the representatives of the fidelity and surety companies.

Mr. Rittenhouse, chairman of the committee, began the proceedings by speaking as follows:

This committee some time since invited all companies doing a fidelity and surety business to present papers or addresses upon the topics to be taken up by the committee at this meeting. A courteous communication has been received from Mr. Tomlins, representing thirteen companies, in which the committee is informed of the conclusions of these companies upon the questions raised in the instructions to the committee by the Convention of Insurance Commissioners. It may be well to say a few words as to the reasons for the appointment of this committee, and of its purposes.

The fidelity and surety companies in brief are engaged in the business of guaranteeing the honesty and solvency of individuals and corporations. That is, they contract to make good any loss resulting from the dishonesty and insolvency of others. Naturally they have found an enormous demand for such guarantees, and they have entered into the business and official life of practically every community in the country. In doing this they have assumed liability for losses aggregating hundreds of millions and perhaps billions of dollars. In order to safely assume this enormous liability, and to guarantee the solvency of others, it is of the utmost importance that these companies should themselves have a high and rigid standard of solvency, to the end that their present and future stability—their ability to meet their obligations—may not be questioned, and that they may justly enjoy the full confidence and support of the public.

Under the laws of most States the insurance commissioners are called upon to certify to the solvency and soundness of these companies. This is a grave responsibility. The courts, knowing a company has the certificate of the insurance commissioner, seldom look any further in selecting a company to assume court bonds. The same is true of individuals and firms in the business world. In discharging these duties as supervising officers, the commissioners have learned that some of these companies were not as sound as they should have been, that their standards of solvency were low, and that their methods of reporting assets and liabilities were in many instances incorrect and lacked uniformity.

For instance, owing to low rates resulting from keen competition and other causes, the New York *Journal of Commerce* in a recent issue stated that nine of the fourteen largest companies showed a net loss of capital and surplus during the past four years of $1,803,472, and that only five companies indicated ability to make profits under present conditions.

Mr. Bond, of the United States Treasury Department, in an address before the last Insurance Commissioners' Convention, said:

"One has only to refer to the annual reports of the insurance departments to find justification of this uneasiness. The reports for last year show that out of eighteen companies actively engaged in fidelity and surety business fifteen paid dividends during the year. Of these only four earned during the year the full dividends paid. Eleven earned during the year no part of the dividends paid. And three paid no dividend. Fifteen of these eighteen companies suffered reductions of surplus. It may be claimed that these reductions were due to depreciation in the value of securities. And this may be partly true. But it is also true that in some cases the increase in losses paid over last year's figures amounted to more than the total reduction in surplus. In one case the loss increase was 200 per cent. more than the amount of surplus reduction. When it is remembered that the income upon investments has in many cases been more than sufficient alone to meet the full amount of dividend payments the business, from an insurance standpoint, presents a still less encouraging aspect. It should also be noted that during the past year four companies have found it necessary to reduce their capitals. The reduction in three cases amounted to one-half, and in the other case to one-third of the capital stock. Other companies have reduced their capitals during the past few years. Several companies have voluntarily gone out of business and three companies have failed."

This unfortunate condition, it is claimed, is due almost wholly to inadequate rates, but we are told that adequate rates have been restored. For how long? How soon will it be before competition again induces the stronger to underbid the weaker companies? What guarantee have we of its permanence? Who guarantees the guarantee companies? As direct representatives of the public who patronize these companies the members of this committee are glad to see the people get their protection at low cost, but we do not want to see the cost so low as to jeopardize the solvency of the companies doing the guaranteeing. Therefore, the insurance commissioners at their last convention passed the resolution, introduced by me, creating this committee, and with its instructions you are familiar. The motive behind the resolution and the motive that actuated the commissioners was solely to benefit the companies and thereby the public. Surely this is not only the privilege but the duty of those who are called upon to certify to the soundness of these companies to the public.

A more uniform and scientific standard of solvency, and more uniform methods of valuing the assets and liabilities are badly needed. The time has come when this very important and useful business should be regulated along sound and scientific lines, and the haphazard methods of determining solvency, heretofore in vogue in some instances, should be abandoned. It is perhaps needless to say that the recommendations of this committee will be made in no spirit of unfriendliness or antagonism to the companies. No desire to try questionable experiments exists, and no effort to burden the companies with unnecessary restrictions will be made. The door to further expansion and development must not be closed. I wish to impress upon all that the purpose is not to restrict but to increase the usefulness of these companies by raising their standards of solvency. The members of this committee have no hobbies to force into the statutes. They are simply trying to assist in correcting a situation which is fully recognized as dangerous and intolerable, by company officials as well as by others, and they hope to have the assistance of the companies. The committee will now be glad to hear from anyone wishing to adress it upon the topics named in the call.

In response Vice President Willcox, of the American Surety, presented the following report:

NEW YORK, November 9, 1908.

To the Special Fidelity and Surety Committee of the Insurance Commissioners:

GENTLEMEN—Acting upon the invitation contained in the circular letter sent out by you on October 10, 1908, addressed to the companies doing a fidelity and surety business in the United States, the following named surety companies, American Surety, Ætna Indemnity, American Bonding, Bankers' Surety, Citizens' Trust and Guaranty, Empire State Surety, Fidelity and Deposit, Massachusetts Bonding, Metropolitan Surety, National Surety, People's Surety, United States Fidelity and Guaranty, United Surety, caused their representatives to meet in New York on October 29, 1908, and on various succeeding days, to consider the topics in such circular

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letter enumerated, with a view to presenting their conclusions relative thereto to you.

After extended discussion of such topics it was decided to report as follows:

As to "Topic 1—Should the present minimum capital permitted by law be increased?"

Resolved, That it be recommended that a minimum capital of $250,000 be required and that no company be authorized to transact business in any State unless it shall have paid up cash capital of $250,000.

As to "Topic 2—Should the present method of arriving at premium reserves be abandoned and a plan to reserve so much per thousand of contract liability, graded as to class of contract, be substituted?"

Resolved, That whereas, while we realize that the unearned premium reserve (reinsurance reserve, so called) is a liability of the company, we think credit should be allowed on the same for commissions paid agents of 25 per cent., and we recommend that the present plan of calculating such reserve be adhered to, except that such commission allowance be made.

As to "Topic 3—Should reserves be maintained on expired bonds upon which claims may be made, and how shall such reserve be determined?"

Resolved, That we recommend that no reserve be carried upon expired bonds upon which claims may be made.

As to "Topic 4—What, if any, additional restrictions should be placed upon investments to improve the character of assets?"

Resolved, That in view of the fact that under the present laws of the various States the securities of the companies are valued at the market value, it is in our judgment unnecessary to place any additional restrictions on the character of the investments of the companies.

As to "Topic 5—Suggestions for improvement of methods of determining loss reserve."

Resolved, That, considering the character of the surety business, we can suggest no better method of arriving at loss reserve than that at present in vogue, namely, acting on each case separately where claim has been made, having each case submitted to the officers of the company to determine the largest amount of loss, including attorneys' fees and expenses.

As to "Topic 8—Special deposits."

Resolved, That special deposits are unnecessary and that we request the aid of the insurance commissioners in having all legislation as to special deposits repealed.

As to "Topic 6—Salvage; Topic 7—Indemnity collateral, and Topic 10—Adequate rates."

Resolved, That these topics should be discussed at a meeting hereafter to be held and after further information shall be obtained from the commissioners as to the particular points in connection with each subject to which they wish consideration and recommendation addressed. Very truly yours,

W. M. TOMLINS, JR., Secretary.

Mr. Willcox stated that the companies were not at that time prepared to discuss all the topics, but that they would have a meeting that afternoon, and would the next day be prepared to present their views in a concrete form and take up each topic for discussion.

A brief discussion of topic No. 1 was held. One representative voiced the sentiments of the companies when he said all we ask is to be let alone. There seemed to be manifest the feeling that the commissioners were a committee of inquisition rather than one for the purpose of obtaining information upon which to base future action that would be beneficial to the companies.

The third day's session was not opened until 11 o'clock, waiting until the adjournment of the executive session of the surety companies, held for the purpose of discussing the several topics and agreeing upon a reply to each one. They evidently had a warm discussion over the second topic, which subsequently was the one that received most attention. President Warfield, of the Fidelity and Deposit of Baltimore, submitted the following resolution as the reply of the companies:

Resolved, That whereas, while we realize that the unearned premium reserve (reinsurance reserve, so called) is a liability of the company, we think credit should be allowed on the same for commissions paid agents of 25 per cent., and we recommend that the present plan of calculating such reserve be adhered to, except that such commission allowance be made.

President John R. Bland, of the United States Fidelity and Guaranty, then read a lengthy paper discussing the resolution. He said in part:

On general principles, a surety company loses its credit. Its safety lies, therefore, in the solvency and integrity of the applicant. At the same time, faith in a man's continued solvency is affected by his known experience, business judgment, capacity and habits. As a bank's solvency is assured by the solvency of its debtors, a surety company's solvency is determined by the solvency of the principals whose contracts it guarantees. Therefore, the surety business is hardly one of insurance, but rather one of credit, and is more nearly akin to banking. In fire insurance the man who pays the premium and he who holds the policy are identical. In surety business the man who pays the premium is rarely the policyholder. This is a fundamental fact. With the surety company the party bonded is the principal who pays the premium and practically indemnifies the surety against the obligation of the bond. He is primarily bound to satisfy all liability that may accrue under the bond. As between them, the surety company's liability is entirely secondary. No liability can possibly accrue to the surety if the principal meets his obligations under the bond. The obligee has an interest in the bond, but in no sense has he an interest in the premium.

* * * * * * * * *

I also approach the subject of premium reserves with great hesitancy, because of the diversity of opinion existing among insurance men on this subject. In the insurance world some authorities call it reinsurance reserve; some call it premium reserve. Some claim that it is a liability; others claim that it is an asset. Under the laws of the State of New York and Massachusetts, and some other States, surety companies are required to set aside 50 per cent. of all the premiums written. This practice was borrowed in the early days from the practice which had come into use with respect to the fire insurance companies, which, by reason of obligations contained in their policies to return to their policyholders the unearned portion of their premium in the event of cancellation of their policy, required such companies to set aside 50 per cent. of premiums of all outstanding risks as a reserve to cover this liability. This reserve was called an unearned premium reserve, and it is still so called with regard to fire insurance companies.

The difficulty of attempting to engraft this practice upon surety companies becomes apparent when the nature of a surety contract is compared with that of a fire insurance contract. On all court, contract, official, internal revenue, excise, and on most fidelity bonds, the principal pays the premium and the bond is delivered to the obligee. Neither the principal nor the obligee have any right either to cancel the bond or to look to the company for the return of any portion of the premiums. The premium paid is in a sense earned at the time it is received. At least, there is no obligation upon the company ever to return any portion of it. The reason for this is obvious, because default can arise within the first hour after the bond is delivered. The fact is, there have been a number of cases on record where defaults occurred before the bond is filed. This fact is disclosed some time after by the surety company in its investigations of the books and accounts of the party causing the default. On the other hand, in case of an insurance contract, the premium is paid by the assured to whom the policy is delivered, and the policy contains a clause obligating the insurance company to return a portion of the premium in the event of its cancellation by either the company or the assured, both of whom, by the terms of the policy itself, are given the right to cancel. No one has ever heard of the making of a claim by the obligee under a surety bond for the return of any portion of the premium paid. In case of the failure or liquidation of a surety company, no one has ever heard of the receiver or trustee paying to an obligee any part of the premium for the unexpired portion of the term.

In conclusion, I want to state, personally, that I realize the great importance of any action that may be taken by your honorable committee, but I would remind you that a great change has recently taken place in the atmosphere of the surety world; that while it is my personal inclination to conform to any rule or regulation that the committee, in their wisdom, may hereafter determine to adopt, I do feel that under the present circumstances, with the disposition on the part of all the surety companies to uplift the business and place it upon safer and broader lines, and by manifesting a disposition to cure the present evils, the surety companies themselves should be allowed opportunity to work out their own salvation, and in doing this the assistance and full co-operation of the committee into whose charge this matter has been given is to be devoutly desired.

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President Joyce, president of the National Surety, followed, asking that the commissioners be not too exacting in their requirements of the companies; that there was already too much taxation; that they should assist rather than retard the growth of the companies by too rigid regulation. "Leave us alone and the surety companies will work out their own salvation."

Vice President Lafrentz, of the American Surety, was against basing the reserve on the penalty of the bond, saying that such action would be fixing the rate by a process of law or ruling of the insurance commissioners. President Joyce was of the opinion that the reserve should be based upon a specific amount in relation to the penalty of the obligation. Vice President Bartlett, of the United States Fidelity and Guaranty, believed that the system of fixing reserves would be detrimental to small and newly organized companies. Vice President Whelan, of the Fidelity and Deposit, favored maintaining the system now in use for computing reserves, as also did President Watres, of the Title Guaranty and Surety. The discussion was at times decidedly heated, and often digressed widely from the original proposition. There was a decided lack of harmony among the companies and the lively discussion before the commissioners evidently was a renewal of the warm time they had had at their conference meetings. This discussion brought out much of the information that the commissioners wanted and which they may not have had had the debate been less strenuous. The results were good. The following was also submitted as a part of the discussion on reserves:

BALTIMORE, November 4, 1908.

To the Representatives of the Thirteen Surety Companies Attending the Meeting Held at the Offices of the National Surety Company, October 29, 1908:

As a committee of one by you appointed to consider and report concerning Topic 3, "Should reserves be maintained on expired bonds upon which claims may be made, and how shall such reserve be determined?" suggested by the special fidelity and surety committee of the insurance commissioners in the circular letter of their chairman, dated "Denver, Col., October 10, 1908," I do respectfully report,

That we should recommend that surety companies be not required to maintain a special reserve on expired bonds, upon which claims may be made, for the following reasons, viz.:

First—The premium is maintained on the ground that such amount is not earned, and, therefore, constitutes, and should be carried as a liability of the company until the expiration of the bonds covered thereby. As, however, upon the expiration of any bond, the liability of the company for the unearned premium thereon has been fully discharged and satisfied, the company is entitled to credit therefor.

Second—As shown above, upon the expiration of any bond, the company is entitled to credit for the unearned premium thereon. Should a claim later be made under such bond, such claim becomes and is treated as a current claim, and, as such, is either liquidated or else provision made therefor in the loss reserve.

Third—As one reserve is carried against the liability of the company for unearned premiums and another reserve against claims of which notice has been received, it is respectfully urged that a third reserve against a possible contingent liability under unexpired risks is unnecessary. Against such liability—which is, after all, the exception and not the rule—surely the past record of the companies in the settlement of such claims is an ample guarantee when backed by their capital and surplus.

Fourth—Deferred liability may and does attach to accident and life, and is a well recognized feature in marine business, and yet of such companies no special reserve is required. Why?—for the reason, no doubt, that the marine, life and accident companies (as have also the surety companies) have met and discharged promptly such liability as and when it arose. Hence, a reserve against this liability, which at best must be arbitrary, has been found wholly unnecessary for the complete protection of policyholders.

All of which is respectfully submitted.

(Signed) H. H. STRYKER.

Each topic was taken up and discussed and the conclusion of the commissioners will be formulated and a report prepared at a meeting of the committee to be held in Chicago early in December, which will be submitted to the National Convention at its next annual meeting.

Resignation of Hon. J. J. Brinkerhoff as Secretary of National Convention of Insurance Commissioners.

A meeting of the executive committee of the National Convention of Insurance Commissioners was held at the Manhattan Hotel, in New York city, on Monday, to act upon the resignation of the Hon. J. J. Brinkerhoff as secretary of the association. The following letter of acceptance was sent to Major Brinkerhoff:

NEW YORK, November 9, 1908.

Hon. J. J. Brinkerhoff, State Capitol, Springfield, Ill.:

DEAR SIR—In accepting your resignation as secretary of the National Convention of Insurance Commissioners, we, the undersigned members of the executive committee, being all the members in attendance at the present meeting thereof, desire to express our sincere regrets at the severance of relations which have been so agreeable and at the loss of your services to the convention. Sincerely hoping the new alliance which has impelled you to this resignation may prove a most agreeable one, we are

Very respectfully yours,

E. E. Rittenhouse, J. A. Hartigan, B. F. Crouse, Otto Kelsey, Joseph Button, T. H. Macdonald.

The Hon. John A. Hartigan, Insurance Commissioner of Minnesota, was appointed to fill the vacancy in the secretaryship, with power to appoint an assistant. He appointed Mr. Charles W. Farnham, of St. Paul. Mr. Farnham is a lawyer, and for many years has been secretary of the Minnesota State Bar Association, and also is the attorney for the Minnesota Insurance Department. He is well qualified for the additional duties that will devolve upon him.

Twenty-fifth Anniversary of the Underwriters' Association of New York State—Address of President Martin.

The twenty-fifth anniversary of the founding of the Underwriters' Association of New York State was celebrated on Tuesday evening in New York city by a banquet and reception at the Waldorf-Astoria. Earlier in the day the regular monthly meeting of the association was held in the rooms of the New York Board of Fire Underwriters.

The evening reception began at 7 o'clock, the arrangements being in charge of the following committee: F. E. Burke, F. W. Bauer, H. P. Barbour, J. M. Carothers, F. L. Curtis, T. L. Farquhar, E. H. Hornbostel, E. S. Jarvis, A. A. King, R. G. Potter, W. C. Roach and C. M. Tobin.

Following the reception the banquet was held, and besides the address of President A. G. Martin other prominent speakers were the following: James M. Carothers on "The Association" (detailing its history during the past twenty-five years); R. M. Bissell, vice president of the Hartford Fire, on "The Work and the Workers"; W. A. Holman, general agent of the Philadelphia Underwriters, on "A Little Talk on a Big Topic"; J. L. Cunningham, president of the Glens Falls, on "Anniversary Hints," and Colonel Alex. H. Wray, United States manager of the Commercial Union, on "The Times."

The address of President Martin was received with considerable enthusiasm on the part of those present. He said in part as follows:

As president of the Underwriters' Association of New York State, it is my delightful privilege this evening to extend the hearty welcome of the association to its many friends and well wishers on this the twenty-fifth anniversary of our organization. We are especially pleased to have so many of our honorary members with us on this occasion. Some of these gentlemen were among the founders of our association, and are therefore keenly interested in our stewardship. For them we have a particularly warm greeting. Our sister societies send us their congratulations.

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President Haines, of the Middle Department, brings the good wishes of that association, and President Rice, of the New England Exchange, extends to us their felicitations. We are happy to have these gentlemen with us, and to wish their associations continued success.

The methods of our association have not been of the brass band variety nor have we attempted to revolutionize the fire insurance business. There is such a thing as taking ourselves and the world too seriously, or at any rate too anxiously. Much of the unrest in our business comes from the vain idea that every man is bound to be a critic, and to let no day pass without finding some fault with the general order of things and projecting some plan for its improvement. Dashing enterprise brings applause, but sobriety and carefulness in methods are the surest means to success. This celebration is evidence enough, if evidence were required, that for twenty-five years our association has intelligently and conservatively filled a field of usefulness, and successfully stood for correct practices in one of the most important sections of the country.

We have made mistakes, but have ever been ready to admit our errors and correct our faults. We occasionally have charged up some very steep hills, only to hastily scramble down again, but these marches have usually been under orders. We have frequently indulged in the harmonizing but inconsistent game of "wiping the slate," realizing that in the fire insurance business the jewel of consistency is sometimes made of paste. The gratification we feel in passing our silver jubilee does not make us unmindful of future difficulties, but history is now our instructor. It is the guide for the future. The disasters of yesterday are the warnings of today. Each year brings its new problems. To meet these changing conditions we must have the confidence and encouragement of the company officials. You gentlemen must have faith in these special agents who are out on the firing line, and who are sometimes the best judges of methods for meeting conditions.

We ask your continued support in our determination to do the right thing at the right time, in the right way, to do some things better than they were ever done before; to know both sides of the question; to anticipate requirements; to recognize no impediments; to master circumstances; to act from reason rather than rule; to be satisfied with nothing short of perfection. And so, gentlemen, the Underwriters' Association of New York extends to you her greetings, accepts your congratulations, welcomes you to her anniversary, and wishes you Godspeed in your many enterprises.

Report of the Examination of the Guarantee Company of North America by the Illinois Insurance Department.

A report of the examination of the Guarantee Company of North America by the Illinois Insurance Department for the period from January 1, 1907, to June 30, 1908, inclusive, has been issued, showing the company to be in a strong position in every way. The examination was made by Lucius Pfouts and Charles J. Fahndrich, acting for the Illinois Department. The company's condition as of June 30, 1908, shows gross assets of $1,406,575.41 and total admitted assets of $1,386,334.01. Gross liabilities, including claims pending, unearned premium reserve, etc., total $162,694.91, with net liabilities of $156,519.91. The capital stock of $304,600, added to the net liabilities of $156,519.91, makes total liabilities of $461,119.91 and leaves a surplus over all liabilities of $925,214.10 and a surplus to policyholders of $1,386,334.01.

The examiners state in part as follows:

The company was incorporated under the laws of Canada in 1851 and commenced business in 1872, being the pioneer of the system in North America. The capital authorized is $1,000,000, of which there has been issued $304,600. They began business in the United States in January, 1881, and have on deposit with the New York Insurance Department bonds of New York city and Brooklyn having a par value of $210,000 as deposit capital. The business is managed by a president, vice president and seven other directors, of whom four are residents of the United States, all directors being stockholders in the company.

The books of the company containing the record of its business and transactions for the period above mentioned were carefully examined and audited, two sets of books being used, one containing the business transacted in Canada, and the other containing the transactions in the United States. The investments and securities shown by its books to be owned by the company are fully described and the location of the same shown on the schedule herewith attached. Proper certificates of deposits or receipts are on file in the office of the company and were examined by us, and those securities retained by the company were found in their private box in the vault of the Bank of Montreal, with the exception of stock in the Montreal Corporation, the Bank of Montreal and Merchants' Bank of Canada. These investments are found to be properly registered upon the books of the municipality and the banks respectively.

The vouchers and books were carefully examined in respect to the payment of losses and claims, and all claims settled were made by checks to the insured with a receipt in full attached. The interest due upon bonds and the dividends declared upon stocks owned have been received and accounted for promptly, and the interest accrued carefully computed as included in statements herewith.

The account of losses reported and unpaid, as shown by their records, was examined and found to have been correctly reported by the company. There are no claims in suit at law outstanding against the company nor have there been for many years past.

The entire premium income is received annually upon bonds issued, whether the same be an annual bond or a renewal of original bonds. The reserve liability is therefore computed upon the basis of 50 per cent. unearned after allowing for all reinsurance in force, the same being in companies authorized to transact business in the United States.

The audit of the books and accounts by us showed that the income and disbursements reported in their annual statement for December 31, 1907, were correct.

After giving in detail the company's real estate investments the examiners go on to state that:

These properties, with the exception of No. 1, were all acquired in the settlement of losses, besides which the company does not take nor ask credit in excess of the book values as marked down by them, at which values we have carried the same in this statement.

Bonds and stocks are shown in schedule herewith attached, with their present custody. In New York is deposited bonds of a par value of $210,000 and a present market value of $204,000 for protection of all contracts in the United States, being a deposit capital as required by the laws of Illinois. In Virginia is a deposit of bonds of a par value and a present market value of $16,000, being a special deposit to protect the insured in that State, and is deducted as an asset not admitted, and the liabilities secured by said deposit are also deducted from the total liabilities. The deposits in the Manhattan Trust Company of New York, the Girard Trust Company of Philadelphia, and in the Bank of New York in New York city are deposits with trustees of the company as authorized by their board of directors, and such deposits are subject to the action of said board of directors, and for the protection of all contracts or bonds issued by the company.

The market value of the bonds and stocks owned on December 31, 1907, was found to be $85,019.65 less than the book value, and this amount was charged to profit and loss by the company, thus reducing the book value to the market values as of that date. The market values on June 30, 1908, as furnished us by the well known firm of McDougall Brothers, of Montreal, show an increase of $33,967.50 over the values as of December 31, 1907. We have, therefore, added this amount to the admitted assets of June 30, 1908. The cash in office and on deposit is fully itemized in schedule herewith attached. Each deposit is certified to by certificate of deposit or bank statement on file in the office of the company, and was verified by us, and after making allowance for checks issued, but not presented for payment, were found to agree with the books of the company.

The business of the company is confined to issuing fidelity bonds to the Dominion and Provincial Government of Canada, and to railroad companies, banks and mercantile establishments in both the United States and Canada, protecting them from loss by dishonest employees, and the affairs of the company are well managed. The net amount paid for losses during 1907 was about 20 per cent. of the net premiums received and the expenses for the same year were about 60 per cent. of the net premiums received. The interest received on investments was $58,645.48, and dividends paid to stockholders were $24,368 during the year 1907, the balance being added to the reserves. The books of the company are kept in an intelligent and comprehensive manner, and found to be accurate in details.

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Pennsylvania Fire Insurance Co.

OF PHILADELPHIA.

Cash Capital	$750,000.00
Reinsurance and all Liabilities	4,096,883.14
Surplus	1,615,283.97
Total January 1, 1908	$6,462,117.11

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JOHN L. THOMSON, Vice-Pres. HAMPTON L. WARNER, Asst. Sec.
WM. J. DAWSON, Sec. Agency Dept.

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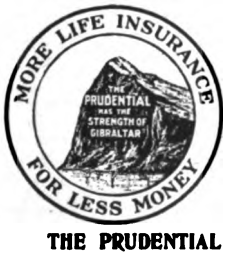

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Stands alone among the American companies of any note, in having repaid to its members, their beneficiaries and estates, in annuities, endowments, death claims, surrender values and dividends, more than it has received from them in premiums. These are the totals:

Received since organization—1846	$249,356,745.45
Repaid as above noted	253,641,382.54
Excess over amount received	4,284,637.09
Assets December 31, 1907	65,003,271.10
Surplus December 31, 1907	2,326,657.25
Insurance in force December 31, 1907	174,716,005.00

President, JOHN M. TAYLOR.

COMMERCIAL UNION ASSURANCE CO.

LIMITED,

OF LONDON.

OFFICE:

Cor. Pine & William Sts., New York.

Head Office for the United States:

57 and 59

William Street,

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A. G. McIlwaine, Jr., Manager.

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Yearly dividends have been increased for the last three years, 1906-7-8, at a rate equaled by no other company.
Cash values guaranteed in the new life and endowment policies are equaled by few companies.
Attractive features have been added to standard policy forms.
Liberal terms offered producing agents under the 1908 contracts.

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GEORGE T. DEXTER
Second Vice-President
The Mutual Life Ins. Co. of New York
34 Nassau Street, New York, N. Y.

1860 48TH YEAR 1908

HOME LIFE INSURANCE COMPANY

OF NEW YORK

GEORGE E. IDE, President

ASSETS, $20,004,853.63. LIABILITIES, $19,235,418.20.
(Including Dividend-Endowment Fund)

Dividend-Endowment Fund (Deferred Dividends)	$1,795,020.00
Net Surplus	769,435.43
Insurance in Force	86,193,296.87

The forty-eighth annual report shows a gain in the amount of insurance in force; that assets were increased nearly $1,000,000, and that over $300,000 was paid to policyholders in dividends.

THE LEADING FIRE COMPANY OF THE WORLD

ROYAL INSURANCE COMPANY LIMITED

[of Liverpool, England.]

[FIRE]

German American Insurance Company New York

STATEMENT JANUARY 1, 1908

CAPITAL
$1,500,000
RESERVED FOR ALL OTHER LIABILITIES
7,592,685
NET SURPLUS
4,415,353
ASSETS
13,508,038

FIREMEN'S

Insurance Company of Newark, N. J.

ORGANIZED 1855

CAPITAL,	$1,000,000.00
ASSETS,	4,701,068.80
SURPLUS TO POLICYHOLDERS,	3,148,371.45

DANIEL H. DUNHAM, President CHARLES COLYER, Vice-President
A. H. HASSINGER, Secretary

WHITON & MERGES, Agents, . . 73 William Street, New York
LEWIS & FREAR, Agents, . . . 145 Montague Street, Brooklyn
H. W. BEALS, Suburban Agent, . 76 William Street, New York

Insurance Co. of North America,

232 WALNUT STREET, PHILADELPHIA.
FOUNDED 1792.

Assets, January 1, 1907		$10,748,864
LIABILITIES—Reserved for Reinsurance and all other claims	$6,705,870	
Capital Stock	3,000,000	
Surplus over all Liabilities	1,042,994	$10,748,864

Agents in all the principal towns and cities.

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EUGENE L. ELLISON, Vice-President.
BENJAMIN RUSH, Second Vice-President.
GREVILLE E. FRYER, Secretary and Treasurer.
T. HOUARD WRIGHT, Assistant Secretary.
HENRY W. FARNUM, Marine Secretary.
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Offices in New York: Fire, 51 William St.; Marine, 63 Wall St.

SAMUEL GANS, President LEOPOLD GANS, Vice-Pres. & Gen'l Mgr.

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The Weekly Underwriter:

AN INSURANCE NEWSPAPER.

ESTABLISHED 1859.

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CHARLES A. JENNEY, President and Treasurer. L. ALEXANDER MACK, Secretary.

CO-OPERATION between the insurance commissioners and the companies with whose supervision they are charged cannot fail to be beneficial and tend to bring about a better mutual understanding between both parties, thereby preventing differences that too often have arisen. The joint meeting in New York city last week of the special committee appointed by the National Convention of Insurance Commissioners at its last annual meeting to consult with the representatives of the fidelity and surety companies was for the purpose of securing such information from them as would enable the committee to formulate proper changes for the annual statement blanks. It was clearly evident that the companies preferred not to have any changes made in the present form. At the first day's session the companies practically said, "Let us alone. We are on the right track and will come out all right." This certain undercurrent of antagonism manifest on the companies' part was soon allayed, however, by Chairman Rittenhouse, who assured them that the committee had only their welfare in view. Had the companies been more open and frank with the commissioners at the start an understanding might have been reached much sooner. The statements and recommendations made by the representatives of the companies before the committee showed conclusively that they did not agree among themselves as to several vital features of their business. It was also demonstrated only too plainly that the surety business has been, and is today, conducted more as a gamble than on a reliable business basis. The question of reserve charges consumed a large part of the meeting's time, as it had so important a bearing upon the condition of the companies' annual statements. There was a general disagreement on the question of unearned premium reserve, reinsurance fund, reserve for unreported losses and other important matters, but various company viewpoints as to what the reserve should be, and how it should be calculated, were seemingly based by each company officer on the way his company would be affected by the outcome. There was one understood request running through the various discussions, however, that seemed reasonable enough, viz., that the commissioners should not be so drastic in their requirements as to injure the newer and smaller companies, but should help to build them up. There is much to commend in such a request, as too many commissioners stand ready to discipline a company upon the least provocation when a little honestly applied leniency would result in placing the weak brother upon a prosperous and satisfactory basis. Commissioners sometimes force themselves to believe that they are protecting the policyholders when really they are only catering to their love of always being in the limelight, often at the expense of good judgment. As the special fidelity and surety committee comprises the best elements of the National body its forthcoming recommendations at the next annual meeting should carry considerable weight. However, as the commissioners as a whole are men of sound and impartial judgment, the surety companies can rest assured that they will receive fair treatment at their hands.

WE feel constrained from time to time when we read of the organization of new insurance companies to protest against the practice of duplicating names. This habit seems to be increasing, and it is a noticeable fact that it is usually the successful veteran organizations whose names are appropriated. In some cases undoubtedly the promoters are unaware of the existence of a company with a name similar to that selected for the budding organization, and on a protest being made a new title is chosen. On the other hand too frequently when this breach of business etiquette occurs in a neighboring State no action is taken by the new company to effect a change, and the similarity passes unnoticed by the Insurance Department. Credit should be given several insurance commissioners, however, for refusing a license to companies appropriating the name of an established insurance corporation, but such instances are entirely too rare. The only way to definitely curb a choice of names is to have on the statute books of every State a law prohibiting duplications. This remedy has been applied successfully in New York State, where it is illegal for a new insurance company to select a name similar to or identical with that of an existing corporation. Such a law is the fairest method of preventing the evil with the least possible friction to all concerned. The name of an insurance company is not only a distinct asset but an advertised trademark. The business reputation of a company for commercial honesty and financial responsibility is inseparable from the name it bears with the public. A reputation for square dealing toward policyholders for a period of years is inseparable from a company's official designation, and as such it should be held inviolate. Besides it is a safeguard to the policyholders and the general public that no untried and unknown concern shall be foisted on them under the apparent chaperonage of a reliable company's name. There is much more of an asset in an insurance company's good name than many outsiders can realize, and a long chartered company should certainly be entitled to any protection of its title that any insurance department can give. The introduction of a bill in the several legislatures this winter prohibiting the use of names similar or identical to that borne by an established company would be more of a benefit to the policyholders of any given State than

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half the ill-advised measures proposed by budding statesmen eager to protect their constituents against the exactions of the "insurance trust."

THE necessity for uniform State laws was never better illustrated than by two conflicting decisions in the States of Massachusetts and Kentucky. In the former State recently, after receiving the opinion of the Attorney General, Commissioner Hardison decided that it was not legal for companies to write life, accident and health insurance under the same contract or policy. Last week Commissioner Bell, of Kentucky, gave his decision that it was not against the law of his State to issue such a joint contract, provided a company separates the two classes of business in its annual statement. The opinion of Commissioner Bell was asked by the National Life and Accident of Nashville, Tenn., which sought to issue a joint life, accident and health policy. It was the first instance in which the question had been raised in Kentucky, but the commissioner when making the decision claimed that he was following the precedent established by former Commissioner Prewitt, who declared that the Insurance Commissioner has the right to use his discretionary powers for the benefit of the policyholders. Commissioner Bell evidently believed that the present occasion was a chance to use these powers, and so decided that the writing of the joint contract was legal. This opinion is in harmony with a former decision of his in which he declared that the "total disability clause" may be incorporated in a regular life insurance policy. The commissioner holds that the interests of the policyholder are better protected by writing the joint contract, because, whereas an accident policy may be terminated at the option of the compauy, the life contract when once issued must continue in force as long as its conditions are complied with. He consistently points out that the cost of carrying the insurance can be lessened where there is but one contract carrying both kinds of insurance, and besides a man so insured is protected on all sides against future ills. Mr. Bell further remarks that the assessment companies are permitted to do both classes of business under the same contract, and reasons that if such is the case the issuance of such a joint policy should not be denied to a legal reserve life insurance company, especially when there is no statute prohibiting it. The commissioner's belief that both company and policyholder are benefited is a sensible one. If the company is financially sound on the one hand, and the risk is a desirable one, why should they not enter into any contract that is agreeable to both parties, provided they are written under the law governing contracts? Where the policy covers life, accident and health there is not the same inclination to lapse, as the payments are less frequent, and the man is more fully protected. In New York and many other States a policyholder may have an accident policy due in one month, a health policy in another, and about the same time his life premium may fall due. There is the constant temptation to lapse one of them. The tendency is to let the accident and health policy run out first, as it can more readily be renewed than the life policy. To the company there is a possible saving in agents' commissions and underwriting expense in writing the joint contract. The agent's chance of securing the application for the joint policy is also enhanced. The man with the accident policy often dies a natural death, and the one with a life policy is killed by an accident, or his health impaired for months. He perhaps had protection that did not protect, when he could have secured protection that would have covered all contingencies.

Facts and Opinions.

Annoyed beyond endurance by persistent attempts at blackmailing by an ex-employee, the **National Life** of the U. S. A. in Chicago recently brought action against J. Edson McEldowney and Gustave Myers to secure an injunction restraining them from issuing libelous and derogatory matter regarding the company and its officers. In this action Myers, through his attorneys, has attempted to cast discredit upon the company, but in court on Monday of this week the master in chancery stated that "no evidence has yet been produced showing or tending to show that the National Life has been guilty of rascality or mismanagement or anything else." In a letter addressed to the agents and policyholders of the company President Johnson says:

From various matters that have come to our attention we are led to believe that McEldowney and the Midland News Agency are making desperate efforts, through the use of news agencies of different names, to circulate false and libelous matter concerning this company, and on this account we would caution and warn you against using any matter at this time, relative to this company, unless you know the source from which it emanates.

In a statement prepared by the company to refute the accusations of its enemies the court proceedings made necessary by the charges are reviewed, and facts connected with the company's reincorporation in 1904 and the taking over of the business of the old Washington company, with headquarters at Washington, D. C., are discussed. In regard to the charge that the company's home office building, at 159 La Salle street, Chicago, is held at a false valuation, the company answers that the Illinois Insurance Commissioner found the valuation conservative and the earning capacity in excess of 5 per cent. net on the valuation of 1907. In regard to other matters the statement of President Johnson says:

Myers and his attorneys questioned the reason for reducing the capital stock from $1,000,000 to $500,000. We answer directly that the reduction was made with the full knowledge and consent of the Commissioner of Insurance, under the strict requirements of the statutes, by declaring a stock dividend of $500,000 for the purpose of reducing the capital. The surplus of the company was not affected one dollar's worth. No actual dividend was declared to stockholders—the securities withdrawn simply being equal to the liability from which the company was thus relieved. Myers and his attorneys sought to create the belief that excess dividends has been paid. As a matter of fact, the only dividends paid to the stockholders have been two of 5 per cent. each in 1907 and 1908. The stockholders have not received even a fair return for the use of the capital invested because of the legitimate expenses incurred in our policy of legitimate expansion. The capital stock of $500,000 is five times that which is required by the laws of Illinois—much larger than that required by any State in the Union. On January 1 the excess security to policyholders, consisting of the capital stock and surplus, will be over $1,000,000.

It is the expressed opinion of Insurance Commissioner Wolf of **California** that **changes** will have to be made in the **insurance law** of that State to wipe out imperfections. He is planning to have the needed amendments on hand for the opening of the Legislature. One of the most important changes he intimates will be made is an amendment to Section 608 of the Political Code, giving the commissioner power to exclude from California any company which causes a suit begun in the State courts to be transferred to the Federal courts. The proposed law is a duplication of the Colorado statute, which has been used by Commissioner Rittenhouse of that State to keep the companies in line. A month ago he excluded the West Coast insurance company from the State because it brought injunction proceedings in the United States District Court. The injunction was denied, and as soon as Commissioner Rittenhouse's hands were unloosed he retaliated on the company by invoking the law. Upon this subject Attorney General Webb of California says in his annual report to the Governor:

The Legislature's revision in 1907 of the insurance laws of the State has thrown upon this office a vast amount of additional work, requiring practically the entire time of one member of the office force. During the

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eighteen months since the new act went into effect we have furnished the Insurance Commissioner with 564 written opinions and reports. While this act appears to be operating successfully, there is one feature to which especial attention should be called, namely, Section 608 of the Political Code, provided that upon a transfer of a suit by an insurance company from the State to the Federal courts, it was made the duty of the Insurance Commissioner to immediately revoke the certificate of authority of such company. But the Court of Appeals of the First District has decided that a new insurance period begins on the first day of July of each year, when a new certificate must be issued. I think it clear that the Legislature intended no such result, and it is respectfully suggested that the law should be so amended as to deprive any foreign insurance company that transfers action from the State to the Federal courts of the right ever again to transact business in this State.

As a result of the elections this fall there will be several **changes in** the personnel of the **various insurance departments.** In New York State the election of Governor Hughes will probably compel the retirement about the first of the year of the present efficient Insurance Superintendent, Otto Kelsey. In Colorado the energetic incumbent, E. E. Rittenhouse, will undoubtedly be ousted and a Democrat put in his place, because the State went Democratic. It is reported that David Howe, the commissioner during the last Democratic administration, may again be appointed. In Missouri the triumph of former Attorney General Hadley, the Governor-elect, surely means the retirement of Insurance Commissioner Vandiver, while in Ohio the choice of a Democratic Governor will probably effect the retirement of Judge C. C. Lemert, who succeeded Arthur I. Vorys about a year ago. In Indiana the returns indicate the re-election, by a small majority, of John C. Billheimer as State Auditor, in charge of the Insurance Department. In Iowa J. L. Bleakly has been elected Auditor, to succeed Governor-elect Carroll, the present incumbent. As the latter favors the creation of a separate Insurance Department, there may be other changes when the Legislature meets. In North Dakota the companies are to be congratulated on the re-election of the present efficient commissioner, E. C. Cooper, who is a practical fire insurance man, being State agent of the St. Paul Fire and Marine. In Washington State J. H. Schively was elected Insurance Commissioner on the Republican ticket, being the first holder of the position under the new law creating an Insurance Department. He has been chief deputy in the office of the Secretary of State. As there was no change in the political complexion of affairs in Illinois, Michigan and Minnesota it is expected that the present commissioners will be retained.

The report of the examination of the **National Protective Legion** of Waverly, N. Y., showing its condition as of June 30, 1908, shows assets of $2,639,940 and liabilities on claims not completed of $36,071. There is no provision in the New York law requiring societies of this character to charge themselves with any liability to meet contracts at maturity. A valuation of Class A and B certificates would call for a reserve of approximately $8,699,270, less a disability loan asset of $789,126, or a net amount of $7,910,153. If this reserve should be charged as a liability, as is done in the case of an old line company, the "apparent" surplus of the National Protective Legion of $2,603,689 would be changed into a deficiency of $5,300,000. The income for the first six months of 1908 amounted to $2,190,714, of which there was paid in by members $2,110,871. The total disbursements amounted to $2,078,006, of which amount there was paid to certificate holders $1,765,788. Regarding that section of the constitution covering the payment of dividends the examiners say in their report:

This section of the constitution cannot be carried out, as part of the funds which should have been accumulated have been spent in previous years in paying larger dividends than the accumulations justified. It is apparent that the Legion cannot continue to pay dividends at the present rate indefinitely, and that the rate will have to be reduced in the near future. If the opinion of the counsel of the Legion as to the effect of the present wording of Section 144 is correct, it will be necessary before a reduction in the amount of the dividends is made for this section to be again amended so as to provide for the amount of assets on hand being considered in connection with dividend payments. We have ascertained the receipts and disbursements of the Class B certificates issued since November 30, 1907, and find the receipts (less amount to general or expense fund) $15,830.15, and disbursements $3,854.89, leaving a balance to the credit of this class on June 30, 1908, of $11,975.26, and adding to this disability loans of $2,179 we get a balance of $14,154.26. The difference between this and the amount shown in the summary of the valuation schedule is, to a large extent, due to the "suspended" certificates being included in the valuation schedule.

The Colorado Attorney General's office has furnished an opinion to Insurance Commissioner Rittenhouse of Colorado to the effect that an **actuary** employed by the Insurance Department to examine a company doing business in that State is **not an employee.** The question arose in connection with the appointment by Commissioner Rittenhouse of Actuary S. H. Wolfe, of New York, to survey the condition of the United States Fidelity and Guaranty of Baltimore. In holding that an actuary is not an employee the opinion states that there is no continuity to an actuary's connection with the Insurance Department, that he receives no compensation at all from the commissioner, and such compensation as he does receive is not a salary, and that, further, the only penalty in the section of the act in question is removal from office, which, of course, cannot apply to an actuary. The opinion further states that continuity is an essential element of the services rendered by an employee, and that in the ordinary acceptation of the term one who is engaged to render service in a particular transaction is not an employee. In defining the position of Mr. Wolfe the opinion says:

Mr. Wolfe's position in the premises seems perfectly analogous to that of an attorney employed in a particular case, and much more closely approximates the status of a contractor than of an employee. Moreover, the penalty provided by Section 6 of the act of 1907, to wit, removal from office, is inconsistent with any idea of an employee which does not imply a continuity of service. If the employee is not continuously employed and working for a salary, the expression "removal from office" is meaningless in the context. Removal from office would impose no special hardship upon Mr. Wolfe, for he has never had an office under the Insurance Department of this State. As I understand the facts he was specifically employed for a particular duty, precisely as an attorney might be employed for a particular case, or a contractor for a particular undertaking, and under the authorities above cited neither an attorney nor a contractor is in any sense an employee.

The agency director of the **Cleveland Life** insurance company, Augustus C. Hone, in the current issue of *Clic*, the company paper, **appeals to the policyholders** to protect his company against harmful **legislation.** After calling attention to the fact that the legislatures convene in four of the States in which the Cleveland Life does business, he says:

We are writing this particularly to our policyholders in those States. We want you to see that your representatives allow no unjust, discriminating or injurious bill affecting life insurance to become a law. If you don't see to this and look after your own welfare, who will do it for you? Send me the name and address of your representative in order that I may write him, asking him to bear in mind your best interests in all legislation. I will be glad to send you a copy of my letter to him, if you request it. All we ask is your co-operation, that you will help us to help you reduce the burden on your insurance; that is, make it cost you less. The policyholders of this country in your State—there are a surprising number of them—can with their friends (policyholders of other insurance companies) exercise an enormous influence if you will only wake up, get together, organize, work. It is worth an effort. We will help you, but we can't do it all for you. Remember we are heartily in favor of any law that can be shown to benefit you, but remember also that many of the laws which apparently benefit policyholders in reality harm them, because it is impossible to harm the companies without hurting you. An increased tax means a decreased policy dividend, unjust restrictions mean the loss of good business, the loss of good investments or some other loss, but no matter what it may be, you, as a policyholder, pay the bill. You suffer the loss. Why should life insurance be taxed at all? It comes out of your pocket, why allow it to be taken from you? In England they not only do not exact a tribute, but actually exempt from taxation one-sixth of

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one's income, if invested in life insurance. Other foreign governments have found that life insurance is the greatest preventive of poverty, that it is the greatest promotor of economy, thrift, self respect and prosperity, and that pauperism and crime do not thrive among people who deny themselves temporary luxuries to secure future independence.

The following **standing committees** have been named for the ensuing year by F. E. Mullen, chairman of the executive committee of the **National Association of Life Underwriters:**

Speakers—Charles Jerome Edwards, New York city; John W. Whittington, Los Angeles; William Tolman, Bridgeport; John R. Reid, Ottawa, Ontario; Everett H. Plummer, Philadelphia; Richard E. Cochran, New York city; I. Layton Register, Philadelphia; William D. Wyman, Chicago; John Dolph, Baltimore; Charles W. Scovel, Pittsburg.

Finance—Ernest Judson Clark, Baltimore; W. O. Cord, Dayton; Geo. A. Cooper, Syracuse; B. G. Bennett, Rochester; N. D. Sills, Richmond; Frank L. Levy, New Orleans; William J. Cameron, Birmingham; William G. Carroll, Philadelphia.

Membership—William M. Wood, Pittsburg; John C. Drewry, Raleigh; J. Stanley Edwards, Denver; John H. Quinlan, Newburgh; C. C. Courtney, Kansas City; William Goldman, Portland, Ore.; A. H. Pratt, Grand Rapids.

Statistics—J. W. Iredell, Jr., Cincinnati; J. Putnam Stevens, Portland, Me.; S. S. Voshell, New York city; Arthur W. Childs, Manchester; John A. Fleming, Des Moines; W. H. Herrick, St. Louis; F. E. Hitchcock, Springfield, Ill.

Topics—J. Edward Meyers, Minneapolis; W. P. Draper, Springfield, Mass.; John D. Spencer, Salt Lake City; C. A. Moore, Topeka; Geo. H. Olmsted, Cleveland; A. Homer Vipond, Montreal; E. H. Lestock Gregory, San Francisco.

Prize Essays—Charles E. Ady, Omaha; C. W. Orr, Fort Wayne; E. G. Ritchie, Indianapolis; Lester V. Bailey, Worcester; Mrs. Florence E. Shaal, Boston.

Credentials—William Van Sickle, Detroit; Thos. J. Stewart, Toledo; Thos. B. Young, Wilmington, Del.; Benj. J. Apple, Savannah; H. A. Craycroft, Dallas; George L. Root, Peoria; Edmund E. Rice, Newark.

Transportation—John Dolph, Baltimore; H. C. Cox, Toronto, Ontario; A. R. Ermiston, Lincoln; F. A. G. Merrill, Buffalo; R. F. Shedden, Atlanta; Henry J. Powell, Louisville.

Press—James W. Janney, Chicago; Stephen F. Woodman, Boston; L. D. Wilkes, St. Paul; George H. Allen, Montreal; H. L. Remmel, Little Rock; John F. Brown, Erie.

At a meeting of the board of directors of the **Franklin Fire** of Philadelphia held on Thursday last President James W. McAllister, who has headed the company since 1881, voluntarily tendered his resignation, to take effect December 31, 1908, and was unanimously elected president emeritus to date from January 1, 1909. His successor was immediately chosen in the person of Alfred E. Duncan, special agent of the Phœnix of Hartford in the middle department, who was also elected a director and will take up his new duties on January 1. Mr. McAllister has a long record of faithful service with the Franklin. He entered the company's employ when a lad of seventeen in 1853, and has served it in various capacities ever since. Alfred E. Duncan, the new president, was born in Boston in 1864. He began his insurance career in the office of John C. Paige in 1880, where he remained until 1884. He then went West and became insurance collector, agent and agency manager, working in the cities of San Antonio, Tex.; Omaha, Neb.; Ogden and Salt Lake City, Utah. He was appointed special agent for the Continental for Utah, Idaho and Montana, and served with them for the period 1890-1895, when he became special agent for the Philadelphia Underwriters in the middle department. In 1905 he was appointed special agent of the Phœnix of Hartford for the same field. It is stated that on January 1 next both George F. Reger, the vice president of the company, who has been continuously connected with it since 1870, and Ezra T. Cresso, the secretary, who has passed the larger part of his business life in the home office of the Franklin, will retire.

In the District Court at Oklahoma City on Tuesday there were begun suits aggregating $15,000 by several fire insurance companies against the Wolverton Company, fire insurance agents, alleging a **dissipation** and misappropriation **of funds** that they collected belonging to other companies. The companies made plaintiffs in the suits are the Globe and Rutgers, Travelers Fire of Arkansas and the Austin Fire of Texas. The petition alleges that the company is insolvent, that all efforts to gain possession of the books or to gain access sufficiently long to check up accounts properly have failed. It is further alleged that there are causes sufficient to lead them to believe that the indebtedness is approximately $15,000, while the assets are but $1,000. In the course of business the Wolverton Company is charged with having collected a large amount of money upon policies and other documents which they squandered. They allege that of the $15,000 more than $12,000 are trust funds belonging to the various companies which the Wolverton Company represented in the capacity of agent. They finally charge that the money was wrongfully used and that the company has operated in violation of the laws of Oklahoma. The Globe and Rutgers claims a loss of $5,000, for which it wants judgment; the Travelers Fire of Pine Bluff wants $380.71, and the Austin Fire of Texas seeks $275. Other companies and creditors not named in the petition claim $10,000. The Northwestern Fire and Marine of Minneapolis filed suit last month asking judgment for $5,000.

The Kentucky Insurance Commissioner, Charles W. Bell, has decided that it is **not against the law** of that State for a company **to issue life, accident and health** insurance under the same **policy,** provided the business is separated for the purposes of the annual statements. In this opinion he follows out a previous ruling, in which he declared that a "total disability clause" may be incorporated in the policy of a legal reserve life insurance company. Commissioner Bell points out that in the lack of any definite prohibition in the Kentucky law on the subject, a legal reserve life insurance company cannot well be prevented from issuing a joint contract, especially when the assessment orders are permitted to write a life, accident and health policy all in one. He also holds that it is for the benefit of policyholders and companies as well to permit a man to protect himself against sickness, accident and death by the payment of one premium. He reasons that it will lessen the expense of operation from the company's standpoint, and will thus lower the cost of insurance to the policyholder. The matter was brought to the commissioner's attention by the National Life and Accident of Nashville, which sought to include in one policy life, accident and health insurance. The matter had never before been passed upon in Kentucky.

The Underwriters' Bureau of New England has made a report on the present **condition of Chelsea, Mass.,** in which the primary cause of the conflagration of April 12 last is given as occasioned by poor municipal administration, slack supervision of buildings and of people, and an undesirable class of residents, who had been slowly weakening the city's condition. The report states that improvements are already under way which will place the city in a firm position. An encouraging feature commented on is that the fire reduced the area of the rag and junk district by a half, and dealers in these materials must now secure a license from the chief of the fire department to transact such business. The water front section is characterized as the worst part from the fire hazard standpoint, but there is no lack of water in that section. The personnel of the fire department is considered good, and while there are a number of features open to criticism, it is believed that the improvements now under way will place the department on a sound footing. The water supply is found adequate, although it is recommended that certain of the mains be enlarged. The board of control and the water department have declared themselves in favor of sprinkler equipment, and a considerable number are now being installed.

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The **Mutual Life** of New York has brought suit in the Indianapolis Superior Court for the recovery of taxes aggregating $3,023.60, principal and interest, which was paid to the State of **Indiana** two years ago under protest. An equivalent to the above amount was paid to a former State Auditor as the amount due the State as taxes. This auditor embezzled the money and it did not find its way into the State's treasury. Governor Hanly made the discovery that the law requires companies to pay their tax to the State Treasurer instead of the State Auditor, a custom followed for many years. The Supreme Court decided that Governor Hanly had interpreted the law correctly, and thereupon the Governor demanded that the insurance companies pay their taxes to the State Treasurer, notwithstanding they had already made such payment to the State Auditor, as in previous years. The company alleges that in order to retain its business in Indiana it was forced to pay the tax a second time, and the suit is to recover the latter payment, on the ground that it was a custom for years for the tax to be paid to the State Auditor, and of the general understanding that he was the proper authority to receive it. This is a test case.

Organized under the laws of the State of Wisconsin, the **Old Line Life** Insurance Company of America is offering its stock to the investing public. The capital stock of $1,000,000 is divided into 100,000 shares, which are selling at $15 each, of which $5 per share goes into the surplus account. The company proposes to write only non-participating business. The organizers have wisely held aloof from using any "board contract" or "stock option" schemes in promoting the company. There will be no subsidiary company of any sort in connection with the Old Line Life, which proposes to conduct its business strictly in accordance with the name it bears. This is especially commendable in view of the fact that nearly every company that has been organized in the West within the past five years has had some sort of "bargain counter" proposition to aid in disposing of its stock and selling its insurance. The company's general manager, Rupert F. Fry, is an insurance man of experience and ability as an organizer, and is also a producer. Mr. Fry has the hearty co-operation of the leading business men of the State, who have freely expressed to him in letters of commendation their confidence in the future success of the company.

The idea of spreading the cost of a son's college education over the period of his early years has appealed to the **Puritan Life** of Providence, which announces that it is ready to issue an **educational endowment** contract which can be written at an age as early as five years. The policy is devised so that when the boy reaches age twenty and his college expenses begin the insurance will mature and enable him to meet them. All premiums paid with 3½ per cent. compound interest will be returned by the company should the son die before attaining the age of fifteen years. Regarding this form of contract the *Puritan Record* says:

In this way the company acts as an institution for savings as well as an insurance company, and protects the policyholder against all loss. At the age of fifteen, if the boy can pass a satisfactory medical examination, the policy may be continued at the same rate, and its face value will be payable should death occur before maturity. The whole sum need not be withdrawn at maturity, but may be taken in convenient instalments, the balance remaining at interest until required. This form of contract should be attractive to many fathers who desire to give their children a college education, but who in order to do so, must begin early to make provision to meet the necessary expenses. Through this method the cost is distributed over several years instead of over four, and hence would be but lightly felt, even by those in moderate circumstances.

As chairman of the laws and legislation committee of the National Convention of Insurance Commissioners Judge Charles C. Lemert, the Ohio Insurance Commissioner, has addressed a circular letter to the fire insurance companies, in which he invites all organizations interested in a **simplified form of fire insurance policy** to attend a hearing before the committee in the Auditorium Annex Hotel of Chicago on Monday, December 7, at 10 o'clock. The committee was appointed at the Detroit meeting in August to consider the advisability of presenting for legislative enactment a simplified form of fire insurance policy, and accordingly have submitted the following questions to the companies' consideration:

First—In your judgment is there a demand for a simplified form of standard fire policy?

Second—What are the objections to the New York standard form?

Third—How can the New York form be improved upon? State fully.

Fourth—Do you regard it important for this committee at this time to prepare a simplified form of standard fire policy, and if so, will you co-operate with the committee and give it the benefit of your advice?

A full and free discussion of this entire subject is invited.

Following the publication of the report of the examination of the **Fraternal Mystic Circle** of Philadelphia by the New York Insurance Department as of September last, showing mismanagement of its affairs, Insurance Superintendent Kelsey caused a hearing to be held at which he notified the officers that unless certain acts of management were rectified the Fraternal Mystic Circle must cease doing business in New York State. The superintendent insisted that the president of the society should waive his right to commissions amounting to $21,439, which exist under an agreement made on reinsurance of another fraternal order; that moneys amounting to $50,097 should be restored to the mortuary fund; that the services of certain "agents" be discontinued, and that no further commissions should be paid to certain persons whose right to such commissions the department deems questionable. The Superintendent of Insurance has received assurances from the officers of the society that his suggestions will be complied with.

The **National Fire Protection Association** is endeavoring to determine the efficiency of the various **water supplies for sprinklers,** considering water works, gravity and automatic pumps. Reports of 1,607 sprinklered fires have been tabulated. The water works system was the primary source of supply to the sprinklers in 89 per cent. of the fires, the gravity tank in 24 per cent., the pressure tank in 20 per cent., and the automatic pump in 7 per cent. The water works and automatic pumps averaged 63 to 64 pounds in pressure, while the gravity tank supply averaged only 20 pounds. The pressure tank led with an average of 91 pounds. The pressure tank supply makes the best record in the average number of sprinkler heads opened, and also makes the best record as to sprinkler control, having only 2 per cent. of unsatisfactory fires, while the water works supply has 7 per cent. and the gravity tank and automatic pump supply each show 9 per cent. of unsatisfactory fires. The pressure tank supply extinguished 83 per cent. of its fires, and the gravity tank 59 per cent.

Missouri fire insurance agents are going to make **rebating** distinctly unpopular in that State if they can have their way. The **Missouri Association of Local Fire Insurance Agents** at a recent meeting in St. Louis passed a resolution authorizing a committee to draft a bill to be introduced in the forthcoming session of the Legislature which will make it a misdemeanor for any agent to rebate on a policy. This action was taken on the occasion of the fifth annual meeting of the organization held at the Planters' Hotel in St. Louis. A committee from the State organization will go to the capital to lobby for the bill. Officers were elected at the meeting as follows: C. F. Enright, of St. Joseph, president; W. J. Campbell, of Kansas City, first vice president; S. D. Capen, of St.

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Louis, second vice president; F. H. Kreissmann of St. Louis, third vice president, and C. C. Jones, of Kansas City, secretary and treasurer.

It is surprising what a **small estate** the average man leaves **at death.** The need of a sufficient amount of life insurance is accordingly all the more apparent. The *Monthly Bulletin* of the Fidelity Mutual Life of Philadelphia shows the prevalent condition in the following words:

According to a recently published table of statistics, based upon researches made in several large cities, out of a total of 7,398 deaths in the city of Toledo, Ohio, from 1901 to 1905, 5,784 left no estate; 769 left $1,000 or less; 581 left $1,000 to $5,000, and only 264 died possessed of more than $5,000. In Providence, R. I., during the year 1907, out of a total of 3,821 deaths, only 44 left over $5,000, while 3,503 left no estate. The figures for Allegheny County, Pa., show an annual average death rate of 5,164, of whom only 162 died possessed of more than $5,000, 4,599 leaving no estate. It is a lamentable fact that of all the people dying in a prominent American city during a period of five years of unprecedented prosperity, only 3.6 per cent. should have left anything like a sufficient sum to provide for their dependents. And yet some agents declare that the life insurance field is pretty well covered.

The **Berkshire Life** has appointed Franklin Wyman and Robert F. Palmer as managers for Illinois, succeeding W. D. Wyman, who has been elected vice president and treasurer of the company. The firm name will be Wyman & Palmer. Mr. Wyman is a brother of the newly elected vice president, and has been connected with the Berkshire for nineteen years. Mr. Palmer, who is secretary of the Life Underwriters' Association of Chicago, has been connected with the Chicago office for ten years. Previous to his departure from Chicago Vice President Wyman was tendered a complimentary luncheon at the Union League Club, at which he was presented with a handsome gold watch and chain by a number of the older general agents of the city.

Indications point to the fact that **no injunction proceedings** will be brought **against** the **Minnesota Insurance Department** in connection with its ruling against certain clauses and riders attached to the standard fire insurance policy. Commissioner Hartigan will be asked, however, to extend the date after which the clauses are prohibited, from January 1, that already set, until after the Legislature can have an opportunity to amend the law, which the commissioner regards as mandatory. The insurance companies claim that many of the prohibited clauses are distinctly in the interests of the insuring public, and that the citizens of Minnesota will co-operate with them in asking that they be legalized.

The **retirement of William A. Anderson** as superintendent of the New York Board of Fire Underwriters was provided for in a resolution introduced at the regular meeting of the Board this week. Mr. Anderson has served the Board faithfully and well ever since he first became connected with it in 1864. Since 1869 he has served continuously upon the important committees of the Board or in his present capacity. A number of the underwriters at the meeting paid a high tribute to his ability. Mr. Anderson will retire on December 31, and for his services to the Board in an advisory capacity he will receive the sum of $5,000 yearly. A successor will be selected very shortly.

An opinion has been sought from the Attorney General of Texas by Insurance Commissioner Love upon what is known as the **resident agents act.** He asks whether or not, under the provisions of Chapter 143, general laws of the Twenty-eighth Legislature, known as the resident agents law, a fire insurance company which is authorized to transact business in that State is prohibited from paying a brokerage, commission or other compensation to a non-resident of the State on account of insurance written on property in that State, the policies therefor being issued, countersigned and delivered through regularly commissioned and licensed agents of such companies in Texas.

Several recommendations regarding **changes in the insurance law of Illinois** were discussed by Superintendent Potter at the recent banquet of the Kankakee Board. He said that much could be accomplished if the local agents would co-operate with the department to bring about needed changes. He proposed four changes as those most urgently requiring action: A revision of the laws regarding mutual fire insurance companies; amendment of the laws covering the investment of funds of fire insurance companies; the passage of a fire marshal law; a law covering the operations of Lloyds inter-insurers and individual underwriters.

At a meeting of the executive committee of the **National Fraternal Congress** and of the Associated Fraternities of America held in Chicago on Thursday last a bill was drafted, to be submitted to every insurance commissioner for approval, with the idea of securing a **uniform law** in every State relating to the conduct of the business of fraternal life insurance. The bill provides that no company shall be permitted to do business at rates lower than those founded upon the mortality tables of the National Fraternal Congress. It will be introduced in the various legislatures convening next year.

The organization at Philadelphia of the much to be respected **Order of Loyal Red Roosters** is chronicled by the *United States Review.* The society is to be to countermen of fire insurance offices what the Ancient and Honorable Order of the Blue Goose is to field men. A constitution was formally adopted on November 2, and monthly meetings will be held. Already the order has thirty-six members, with dues of $6 per annum. At the organization meeting Harry Furlong was elected cock of the walk, Frank Beitle bantam cock, J. M. Baile chief scratcher and John T. Brown early bird.

Fire insurance losses in Illinois are record breakers this year, many companies reporting the heaviest loss ratio in the State since 1871. Chicago losses are a half million ahead of last year, and Peoria has had an unusual run of serious fires. One company has lost $40,000 in that city, and there are a number with losses running between $20,000 and $30,000. Rock Island, East St. Louis, Belleville, Springfield and Joliet all have bad records for the year, while the unusual drought has greatly increased the farm and small town losses, which have usually kept the ratio down.

Regarding the figures published in the November 7 issue of this paper for the quarterly report of the **Insurance Department** of the **Knights of Pythias,** the following explanation has been received from Carlos S. Hardy, general secretary of the society:

The figures that you give respecting membership and amount of insurance in force deal only with our fifth class, known as the adequate class. On September 30 last we had 35,421 members, carrying $60,518,000 of insurance, in our fourth class. The members in the fifth class were 43,192, carrying insurance $61,647,000, as stated in the paragraph in your paper.

The offer of the **Union Central Life** of Cincinnati to compromise the $3,000,000 **tax suits** brought against it by the county officials by a payment of $750,000 has been withdrawn. It developed that the county treasurer and tax inquisitor who had brought the suits would receive about 30 per cent., but when the county treasurer-elect sought to intervene in the suits, so that he also might get a share of the money, the at-

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torney for the Union Central Life withdrew the compromise offer in disgust.

At Rockford, Ill., where there are a large number of sprinklered risks, the John Camlin agency claims that one of its companies has authorized it to meet the **competition** of the **Western Sprinklered Risk Association,** which is charged with offering to write at less than the tariff. The companies are not disposed to authorize cut rates on the Rockford plants, as while the equipments are satisfactory the buildings in most cases are not up to grade.

Later information has it that the fire insurance company organizing in Philadelphia under the tentative name of the Keystone Fire will be called the **American Union Fire insurance company** of Philadelphia. The proposed capital is $500,000, with a net surplus of the same amount. A Pennsylvania charter will be secured, and organization offices have been selected in the Liverpool and London and Globe Building in the Quaker City.

The fall dinner of the **Boston Life Underwriters' Association** was held Tuesday night at Young's Hotel. President H. N. Haven presided over an attendance exceeding 100. The special guests were W. W. McClench, the recently elected president of the Massachusetts Mutual; D. F. Appel, vice president of the New England Mutual, and Winslow Russell, assistant superintendent of agencies of the Phœnix Mutual.

A **banquet** to agents and stockholders of the new **Great American Life** of St. Louis was held at the Marquette Hotel on the evening of November 9 in honor of President Quinn, who was presented with a floral horseshoe 8 feet high. The capital stock of $500,000 is held by 1,080 stockholders in thirty-six States. While selling the stock applications for insurance aggregating $2,500,000 were taken.

The fire insurance interests hope that an early decision can be secured in the suit begun by the St. Paul Fire and Marine to test the right of the **Minnesota Insurance Department** to prohibit the **vacancy-permit rider** reducing the insurance payable. If the court should hold that the department has no such authority it is believed that its rulings against the other riders would also fall.

The **Manhattan Life** of New York announces the reappointment of Frank W. Carr, who formerly represented the company in Philadelphia. Mr. Carr's father, James B. Carr, represented the Manhattan in Philadelphia for over thirty years, and at the latter's death in 1894 the son took charge, remaining with the company until his resignation in 1901.

It is generally believed in **Iowa** that the plan for a **separate Insurance Department** in that State will be put through the coming session of the Legislature, and a salary of $4,000 has been proposed for the commissioner. State Senator J. H. Jamison, the chairman of the commission appointed to revise the insurance laws, is being talked of for the place.

The directors of the **Western insurance company** of Pittsburgh at a meeting on Friday last chose William Howard Nimick, the son of Alexander Nimick, a former president of the company, to succeed the late John B. Jackson. Two vacancies on the board of directors were filled by the election of Nathaniel Holmes and Joseph T. Speer.

The new **high pressure system** is "making good" every day. At the fire which destroyed the old Park Theatre in Brooklyn last week the new system was very **effective,** and the damage was restricted practically to the theatre building without the assistance of the fire engines. The water power was used effectively.

The courts at Natchez, Miss., have dismissed the **suit** of the **Globe and Rutgers** against a number of fire insurance companies, growing out of an alleged attempt to enforce **separation** against the Globe and Rutgers on the ground that it was paying excess commissions.

The **fire and accident brokers** of Chicago are being **canvassed** by the Columbian National Life of Boston. Since the company has added an accident and health department it is desirous of having some of the brokers locate in the Chicago general agency offices.

The **Century insurance company** of Edinburgh has entered the United States for select surplus line business, and has appointed Henry W. Brown & Co., of New York and Philadelphia, managers for the United States east of the Rocky Mountains.

The New York Underwriters' Agency has issued a circular to its agents stating that hereafter on receipt of satisfactory proof the **maturity clause** in its policies will be **waived** and losses will be paid cash without discount.

The **Florida Home** is preparing to **increase its capital** to $200,000 and its surplus to $50,000. This is necessary to comply with the new laws of Louisiana fixing a minimum capital of $200,000 for fire insurance companies.

The **Chicago Board of Underwriters** has amended its rules to authorize the executive committee to permit the use of a clause providing for adjustments on the basis of market values, which has heretofore been prohibited.

The **Puritan Life** of Providence, which on Thursday last was a year old, has passed the first twelve months of its existence without having a death claim, although the company has a round million of insurance in force.

Plans are being prepared by the **Firemen's of Newark** for the erection of a sixteen story **office structure** to cost from $500,000 to $750,000. The building will be located at the corner of Market and Broad streets.

The **annual meeting** of the **Kentucky State Board of Fire Underwriters** will be held at Louisville November 24, when arrangements will be completed for the establishment of an independent rating bureau.

The **insurance taxes** for the coming year are being arranged by the ways and means committee of the city council of **Charleston, S. C.,** which has invited a conference with those interested.

The **North British and Mercantile** is preparing for the celebration of its centennial in 1909, and will issue a beautiful illuminated policy and an unusually handsome calendar.

The **Insurance Society of New York** will be addressed at the meeting on Tuesday next by Charles T. Hill, who will speak on "The Fire Departments of the World."

The Western department of the **Hartford Fire** has notified its agents that hereafter it will **pay** all **losses in cash** without

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discount, a number of companies having given up the sixty day clause.

The **Pacific Mutual Life** of Los Angeles will occupy its new fireproof home office building at Los Angeles, erected at a cost of nearly $300,000, during December.

The **Ohio Fire Prevention Bureau** is preparing to submit a bill to the Legislature enacting a uniform building code for all towns of 5,000 population or under.

The plan of a bond issue for the improvement of the **fire department** at **Cleveland,** Ohio, was voted down at the recent election in that city.

The **Pasadena Fire** insurance company has been incorporated at Pasadena, Cal., with $200,000 capital stock.

The application of the **Dean schedule** in Louisville, Ky., will be begun at once.

Personal.

AGENCY APPOINTMENTS.

American of Newark: Walter G. Shannon, special agent in Ohio.

Fire Association of Philadelphia: Bush & Robertson, managers of the Western department after January 1.

General Accident of Perth: Frank E. Dooly, of Portland, Ore., general agent for Oregon.

Law Union and Crown: Griffin & Warner, agents for Brooklyn.

North British and Mercantile: Cecil T. Collins, special agent for Minnesota, with Minneapolis headquarters.

Ohio German: Schroeder & Hobbins, Cook County general agents, succeeding Haskell, Miller & Co.; F. H. Ross & Son, Metropolitan district agents for New York city.

People's National Fire: Arnold Raines & Co., of Little Rock, general agents for Oklahoma and Arkansas.

Springfield Fire and Marine: Frank L. Heberling, special agent for western Canada, with headquarters at Winnipeg.

State Mutual Life of Worcester: S. B. Lindsey, promoted to be general agent of Erie, Niagara and Orleans counties, New York, with headquarters at Buffalo.

Virginia Fire and Marine: Griffin & Warner, agents for Brooklyn.

Mr. John H. Claney, vice president of the Monongahela of Pittsburgh, has been elected president of the company, succeeding Dr. R. H. Gilliford, resigned. President Claney joined the Monongahela in 1864, and worked his way up to executive office, becoming successively secretary and vice president. Mr. Claney was secretary of the first Board of Fire Underwriters organized in Allegheny County in 1865, and upon its reorganization in 1877 he was made treasurer, a position which he still holds. Mr. L. A. Burnet, of the First National Bank of Aspinwall, formerly a member of the Greenville, Pa., insurance firm of Burnet & Burnet, has been elected a director of the Monongahela.

Mr. G. Wildey Lloyd has resigned as superintendent of agencies of the Pittsburgh Life and Trust, to become supervisor of agencies for the Atlantic Casualty of Philadelphia. Mr. Lloyd joined the Pittsburgh company in February last after the reinsurance of the Central Accident of Pittsburgh. He had been connected with that company twelve years, and was one of its largest producers.

Mr. Warren S. Colegrove, who was the unsuccessful candidate for the office of secretary of the Boston Board of Fire Underwriters at the recent election in which F. E. Cabot was elected secretary, has resigned from the board's service. In appreciation of his services the executive committee voted him on leaving a sum equivalent to several months' salary.

Mr. William W. Thomas has been appointed manager of the Underwriters' Salvage Company of Chicago. He formerly ran a salvage wrecking plant of his own, and has had much experience as an adjuster and appraiser, having been used frequently by the companies and the Western Adjustment Company as an expert appraiser of general merchandise.

Mr. B. G. Wray, a son of Col. A. H. Wray, manager of the Commercial Union, has been appointed head of the newly organized sprinklered risk department of the London Assurance. He was formerly with the Factory Insurance Association of Hartford, and more recently in the sprinklered department of the New England Exchange.

Messrs. King, Scheide & Co. have resigned the general suburban agency of the Northwestern National of Milwaukee. The company will hereafter write suburban business through its New York branch office, and will continue its membership in the Suburban Fire Insurance Exchange.

Mr. D. W. Canfield has been succeeded as chief inspector of the West Virginia Inspection Bureau by G. H. Parker, who has been acting as his assistant. Mr. Canfield has accepted the position of assistant manager of the Colorado Bureau.

Mr. M. A. Newell, who retired some time ago from the presidency of the California Fire, has failed. His insolvency is due largely to having been compelled to pay eight assessments on his stock to meet San Francisco conflagration losses.

Mr. Union B. Hunt has resigned as chairman of the Indiana railroad commission to accept the presidency of the insurance department of the Knights of Pythias. Mr. Hunt's term as railroad commissioner would not have expired until 1912.

Mr. Brooks Sorrier, a well known local agent of Statesboro, Ga., and a member of the firm of Sorrier & Brannen, was killed in an automobile accident near his home on November 9. He was about thirty years of age.

Mr. Charles M. Wilson, an assistant underwriter employed by the New York insurance firm of Jameson & Frelinghuysen, committed suicide, Monday by shooting himself in the directors' room at the company's office.

Mr. Franklin Webster, editor and proprietor of the *Insurance Press,* was elected president of the American Trade Press Association at the recent nineteenth annual meeting held at the Hardware Club, New York city.

Mr. Julius Bohm, who is to be the general agent of the Columbian National Life of Boston for the Pacific Coast, has incorporated the Pacific Coast Agency, Inc., with a capital of $250,000, to handle the agency work.

Mr. J. G. Hilliard, who was associated for many years with the late James Foster in the control of the large railroad interests of James Foster & Son, incorporated, has accepted the vice presidency of that firm.

Mr. Herbert C. Huntress has been chosen manager of the Woburn, Mass., insurance agency of S. B. Goddard & Son. Mr. Huntress has resigned as special agent of the Niagara.

Ex-Fire Marshal D. S. Creamer of Ohio was elected State Treasurer on the Democratic ticket in the recent elections. He is said to favor an investigation of the fire marshal's office.

Mr. Llewellyn Miller, former general agent of the Northwestern Mutual Life at Baltimore, who served the company from 1869 to 1905, died November 11, aged sixty-eight years.

Mr. Arthur M. Raymond, a chief examiner in the Western department of the Queen, has been appointed Cook County special agent, succeeding B. Vanness, who goes to Baltimore.

Mr. J. G. McFarland, assistant superintendent of the Western and Southern Life in the Pittsburgh district, has resigned to take the superintendency of the Liberty Casualty Company.

Mr. H. A. Luedeke, manager of the Pretzlaff Hardware Company, of Milwaukee, has been elected vice president of the Concordia Fire, succeeding the late John Schroeder.

Mr. Charles E. Cox, assistant to the president of the St. Louis National Life, has been appointed superintendent of agents, succeeding Mr. Baird Pallette.

Mr. R. R. Lippincott, an adjuster at St. Louis, has been added to the staff of the Western Adjustment Company at Cincinnati, taking effect December 1.

Mr. C. W. Jackson, of New York, has been elected actuary of the Greensboro Life of Greensboro, N. C., succeeding I. Smith Homans, resigned.

Mr. E. C. Cooper, North Dakota State agent of the St. Paul Fire and Marine, has been re-elected Insurance Commissioner of the State.

Mr. Bruce Dodson will be manager and underwriter for the Equity Fire insurance company, which is being organized in Kansas City, Mo.

Mr. William H. Hayes, head of the agency of Hayes & Cleaveland at Rock Island, Ill., died last week at the age of ninety-five.

Mr. E. M. Turner will be comptroller of the Southland Life insurance company now being organized at Dallas, Tex.

Casualty and Surety Insurance.

Unusual accidents of the week are as follows: A piece of hot metal struck an iron worker in the eye and gouged it out.

A doctor pricked his finger with an instrument while operating and died a month later from blood poisoning.

A confectioner who was charging a soda water tank was struck in the eye by a piece of metal and killed as a result of the tank exploding.

A carpenter at work on a building fell three stories to the ground and, landing on his feet, sustained a fracture of both ankles.

A passenger on a Pennsylvania Railroad train fell into the fence between the tracks when alighting on the wrong side at a station, and was so tangled up in the barrier that a portion of the fence had to be cut away to extricate him.

A hunter stumbled when about to fire at a deer and shot and killed his fourteen year old son.

A blow over the heart administered in a friendly boxing contest caused the death of one of the participants.

A doctor who was a passenger on a New York Central train stepped off the platform of the train when it was running through the Park avenue tunnel, sustaining internal injuries.

Not noticing that the drawbridge over the Delaware and Raritan Canal at New Brunswick, N. J., was open, two automobilists dashed through the opening and were nearly drowned in the waters of the canal when the machine fell on top of them.

A burning spark from the carbon of an electric light fell into a "Merry Widow" hat worn by a woman passing underneath, and

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came near destroying a fine head of hair, to say nothing of the hat.

On seeing her infant daughter with an open safety pin in her mouth a mother screamed, and frightened the child so that she immediately swallowed the pin, with probably fatal effect.

A mill operative's jumper caught in the mechanism while he was putting a belt on a rapidly revolving pulley, and he was killed before the machinery could be stopped.

A Supreme Court judge of Mississippi died from acute indigestion caused by eating peanuts.

A New York banker was badly injured by being hit by a bottle of carbolic acid thrown at the taxicab in which he was riding.

While at work in an oil cloth works a man was killed by a heavy press falling upon him.

While a still was being cleaned at an oil refining plant an explosion occurred which killed one man and injured three.

A four year old boy went into a shed to take down his sled and was killed by the vehicle falling on him.

An intoxicated man fell with a pistol in his pocket and shot himself in the hip.

A blind man in groping about his room fell upon a red hot stove and was fatally burned.

While repairing wires at the top of a 40 foot pole a lineman came in contact with a live wire, and, falling to the ground, struck his head with great force against a curbstone.

A California schoolboy picked up a weather worn firecracker and lighted it, with the result that the little finger of his left hand was torn off and the limb badly mangled.

A mother seized with a fainting spell knocked over an oil lamp in her fall, and her four year old daughter, who was being put to bed, was burned to death.

Boys playing Indian tied a companion to a stake, and in trying to free himself from the bonds by burning them away with a lighted match the "victim" was fatally burned.

A Columbus, Ohio, doctor was killed by falling down stairs.

A practical joke perpetrated on an employee of a Bridgeport, Conn., iron foundry resulted in his death. The man was pumped full of air with an air pump and lapsed into unconsciousness, from which he never recovered.

A policeman who was chasing a burglar across some roofs tripped on a wire and was knocked unconscious.

A New Jersey woman had fourteen teeth drawn at one session in the dentist's chair, and a few days later died in agony from lockjaw.

A seven year old girl who was run over by a wagon died from lockjaw as a result of leather from her shoe becoming imbedded in the flesh, causing an infection of the wound.

A barber was stricken with paralysis while shaving a customer, and in his fall the razor struck the customer's neck, inflicting a slight gash over the jugular vein.

A New York lawyer, in trying to close the window of his office on the nineteenth floor of a skyscraper, lost his balance, and pitching out of the window, was crushed to death on the roof of a neighboring building.

The present season on the **football** gridiron has been a bad one for **injuries**, due probably to the open feature of the playing under the revised rules. A compilation of casualties shows that ten are already dead, with the big games not yet over, while 272 were injured. More injuries have been reported this year than in any season since 1905, when the rules were revised. In that year twenty-four players were killed and 200 injured. There were three deaths among college players this year, two among high school and five among athletic club members, while the injured in college games were 153, against seventy-three among high school players and forty-six among athletic club members. All deaths, with one exception, were caused in open play, the exception being the case of a spectator who was run over by the players and so seriously injured that he died two weeks later. Two players died from spinal injuries, one from paralysis caused in an open tackle, one from a broken neck, two from concussions of the brain, two from internal injuries caused by strains and kicks in vital parts, and one player fell dead of heart failure. Broken collarbones, 40; broken legs, 30; broken arms, 16; broken jaws, 6; broken noses, 20; broken ribs (individuals), 15; concussions of the brain, 12; torn ligaments, sprains, etc., 71; dislocated shoulders, 22; lockjaw, 1; insanity, 1; miscellaneous—teeth knocked out, scalp wounds, cuts—23. The record of deaths and injuries for eight years follows:

Year.	Deaths.	Injured.
1901	7	74
1902	15	106
1903	14	63
1904	14	296
1905	24	200
1906	14	160
1907	15	166
1908	10	272

The stand taken by the Pennsylvania State Treasurer in refusing to surrender the **individual bonds** given by personal sureties to protect the State deposits in the defunct **Allegheny National Bank** of Pittsburgh was sustained this week by Judge John D. Shafer in Part II of Common Pleas Court at Pittsburgh. The personal bondsmen involved were John Caldwell, Jr., Joshua Rhodes and others. The bonds were originally given when Frank G. Harris was State Treasurer, and the contention of State Treasurer John O. Sheatz, which was upheld by the opinion of Judge Shafer, was that the bonds were still in effect. By this decision the State will not lose a cent of the money it had on deposit in the bank wrecked by William Montgomery, who was convicted of embezzling over $1,250,000 of funds from that institution. Judge Shafer in his opinion says in part:

We are at a loss to see how anything contained in these acts can be supposed to authorize the board of revenue commissioners and banking commissioner to surrender any bond held by the commonwealth, or to substitute one bond for another, or to discharge the sureties from liability, and especially could they not do this accepting a bond or bonds for less than one-half of the amount required by law. The State Treasurer was clearly within his rights in declining or omitting to surrender the bond in question, as his only protection from the failure of the bank depended on his having bonds more than twice as large as the deposits. If the State Treasurer and Attorney General have no authority to surrender bonds or release sureties thereon, as they certainly have not, no action of theirs can amount to a ratification. We are of the opinion that the judgment ought not to be opened. The rule is therefore discharged.

Personal sureties in Pittsburgh and other cities should digest the import of this decision, and the agents of corporate surety companies ought to "get busy."

A most thorough **examination** of the affairs of the **North American Accident** of Chicago has just been completed by the insurance department of Texas, South Dakota, Nebraska and Illinois. After a survey of the history of the company from the date of its organization to the present time, the report takes up the nature of the contracts with agents, the conditions of all the company's policies, commercial, industrial and coupon, as well as its financial condition and its treatment of claimants. The investigators found the company in a first class condition after a three weeks' investigation of its affairs. The report of the examiners has the following to say regarding claim settlements and the company's general financial condition:

From a thorough investigation of losses adjusted and claims paid during the year 1907, and to September 30, 1908, we believe that it is the purpose of the company to pay every just claim in accordance with provisions of the contract. The claims are paid with promptness when proofs filed show them to be legitimate and just claims. We find the books and accounts kept in a systematic and comprehensive manner. * * We find the surplus of the company on September 30, 1908, to be $248,817.14 over all

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liabilities, including capital stock. This surplus, as compared with the same item on December 31, 1907, shows an increase of $44,102.10. The receipts for the first nine months ending September 30, 1908, were $704,655.15, and disbursements, which included $30,000 in dividends to stockholders, $657,013.64. The admitted assets of the company are $609,361.96; the total liabilities $160,544.82, leaving a surplus as regards policyholders of $448,817.14.

The subject of **co-sureties on joint and several bonds** is discussed as follows in a letter of Beekman Winthrop, Assistant Secretary of the United States Treasury Department, in reply to the inquiry of a surety company. He says as follows:

Referring to your letter of October 16, 1908, relative to requirement of note 2 of department form 360a that credit will not be allowed for co-suretyship except on bonds where the liability of each of the sureties is limited to a definite specified amount under the provisions of paragraph 2 of department circular dated June 2, 1908, I have the honor to advise you that on joint and several obligations wherein each of the sureties is liable for the full amount of the band, credit will hereafter be allowed in cases where a side agreement is entered into by the co-sureties limiting their liabilities within their respective qualifying powers under the rating of this department. In cases where the companies are unable to provide themselves with such agreements on bonds which have been executed prior to the date of this ruling the requirement will be waived.

The **elevator hazard** is an ever present one which daily takes its toll of human life. Coroner Hoffman of Chicago is quoted on the subject in the Chicago *Tribune* as follows:

During the last year the number of persons killed in passenger elevators in our great buildings is appalling. Within the six days prior to the making of this report the average death rate was one a day. These elevator conductors carry daily a multitude of Chicago citizens. They probably carry more persons than are carried by the entire Chicago tramway system. It is remarkable, but true, that no provision is made to officially establish their efficiency and knowledge of the machinery they handle, and their passengers are carried subject to much greater danger from accidents than are the passengers of street railway companies. They are not required to either understand the mechanism of the car or the simple principles of its operation. This is a great menace to human life, and many deaths result therefrom, nearly all of which could be prevented if these men were required to have sufficient skill and knowledge, and allowed to follow their occupation only when duly licensed upon showing proper qualifications.

The **Bank Depositors' insurance company** of Washington, D. C., has been **denied the use of the mails** by Postmaster General Meyer. The company has a capital of $1,000,000, and has been doing business since November, 1907. The order applies to the company, its officers and agents. The officers are H. J. Waring, vice president, and E. M. Carroll, secretary. The company's plan was to sell by mail to banks and banking institutions contracts guaranteeing depositors against loss of funds through suspension of payment or failure of bank. It is alleged in the post office inspectors' report that the business was managed by professional promoters.

The **Board of St. Louis Surety Underwriters,** made up of representatives of all surety companies, has been organized in that city. Charles L. McLaren, of the Fidelity and Deposit, is president; Arthur J. Watling, of the American Bonding, secretary and treasurer; J. C. Barrows, of the Title Guaranty and Surety, first vice president; Frank Mead, of the American Surety, second vice president, and P. W. Gray, of the National Surety, third vice president. The organization will discuss topics of mutual interest. Meetings will be held monthly.

The **Columbus Board of Surety Underwriters** has been organized by the representatives of sixteen companies doing business in Columbus, Ohio, with the following officers: President, John N. H. Menger, Fidelity and Deposit; vice president, J. S. Mossgrove, American Surety; secretary, Trafford B. Tallmadge, the Frank Tallmadge Company.

The formation of a **casualty insurance social club** for New York city is being agitated along lines similar to that of the Insurance Society of New York. Such a club would give the younger members of the casualty business a chance to meet on the common ground of good fellowship and help them to become acquainted. Instructive lectures might also be included in the sessions of the organization, as this plan has been very successful among the fire insurance men.

A special meeting of the **Burglary Insurance Underwriters'** Association was held yesterday, being in session when this paper went to press.

Surety rates on Government and other official **bonds** are to be advanced, and a new schedule is promised about January 1.

The **Illinois Live Stock insurance company** is being organized at Kankakee to have a capital stock of $100,000.

The New York Insurance Department is **examining** the condition of the **Metropolitan Surety Company.**

Insurance Legislation.

Complete copies of all important bills in the legislatures affecting insurance are on file in the office of THE WEEKLY UNDERWRITER.

Vermont.

MONTPELIER, November 16.—Mr. Sherwin has introduced House Bill No. 439, which provides that misstatements, unless fraudulently made, shall not void the policy. The amount due in case of loss must be paid within thirty days after a loss occurs.

Mr. Tilden, of Barre, has introduced House Bill No. 456, to amend the charter of the Granite Mutual insurance company of that place.

MONTPELIER, November 20.—The valued policy bill, No. 112, introduced by Mr. Hyde, has been killed in the House.

Miscellany.

Fatigue and Its Relation to Accidents.

(From the Ætna.)

It has been demonstrated by scientific investigations that there is a direct and important relation between personal accidents and fatigue. These investigations were conducted during a considerable period of time by a number of European manufacturers, and both on account of their duration and their thoroughness they are exceptionally reliable. It has been proven by them that the workmen in the factories where the investigations were made were more liable to accidents in the late morning and the afternoon than earlier in the day, and that more accidents occurred toward the end of the week than near its beginning. All the statistics collected tended to show clearly that when the workmen became tired they were much more subject to accident than when they were fresh.

These statistics related to factory workmen only, but the fact proven by them is doubtless equally true as regards men in other lines of work, men who, on account of the nature of their occupations, think that they are largely immune from accident. The office man is by no means so safe as he is prone to think. In our large cities especially the manifold dangers of accident are ever present, and even those men whose work is done for the most part indoors, where in the ordinary course of events there is very little risk of accident, must necessarily run the same chance as others when they leave their offices and take to the streets crowded with all sorts of traffic.

Though they spend most of their time in their offices they must at least go out to lunch, and they must return home when their day's work is done. When they come to work in the morning they are fresh from their night's rest and are best able

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to avoid danger of accident, but at noon and at night they are fatigued by arduous mental labor. The man whose brain is tired is no better able to cope with an emergency involving risk of accident than he whose fatigue is merely physical. In fact, it is a question whether he is so well able. A fresh brain can control tired muscles, but even the most vigorous body is at a loss when the power of the mind which governs it is dulled. It is mental alertness which comes to the rescue when we are suddenly confronted with danger, and the man whose brain has been working most of the morning, or of the afternoon as well, cannot have the same alertness with which he started the day. And his mind is only too apt to be preoccupied as well as tired. So, although his occupation may not in itself involve much risk, the mental wear and tear of it makes him more liable to accident, just as overwork makes a man more subject to disease.

The man who does physical labor only and he whose work, though largely mental, takes him frequently out of his office, may be exposed to danger of accident more often than the office man, but the latter is less liable to meet it when it comes his way. He is less familiar with the dangers, and he cannot therefore avoid them in a practically unconscious manner, as is often done by the man who is used to them. It requires a mental effort for him to meet an unexpected emergency, and when his mind is wearied by his work it is less likely to be able to act quickly enough.

The Mutual Savings Life Insurance Society—Statement by William A. Fricke.

(Continued from last week.)

The law places a limit upon the amount a society of this character can carry on one life; Miles M. Dawson raised the limit to $10,000. The law prohibits the placing or reinsuring of any portion of a risk in an unauthorized company; Dawson entered into agreement with two companies not authorized to transact business in this State to reinsure the excess over $3,000 on any one risk. The law and the constitution of the society prohibit the employment of the insurance fund for any purpose other than the payment of policy claims; Dawson advanced moneys belonging to the insurance fund and contributed by other members for the payment of reinsurances to the loss and detriment of the fund so encroached on.

Policy No. 2,838 (there were never that many policies issued, but the higher numbers gave a better impression of the society) was issued September 1, 1907, for $10,000 on the 50 per cent. note lien plan, i. e., the insured signed a lien note authorizing an annual charge of 50 per cent. of the premium against the policy as a lien, thus reducing his cash premium payment to 50 per cent. of the regular rate. The society, however, was required to pay the full premium in cash to the reinsuring company on the amount reinsured. In this case the premiums were payable quarterly and the insured paid $41.35 in cash and gave a lien note of $41.35 for the balance of the quarterly premium. The agent who wrote the business received $40 commission; the "Fellowship Syndicate," of which Dawson's man Best and brother-in-law Boyd were trustees, got the $1.35, and the society got the lien note. Then $7,000 of this risk was reinsured, for which a cash premium was paid out of the insurance fund of the society to the reinsuring companies, exceeding the total cash payment by the insured. When the next quarterly premium came due the insured gave his check for 50 per cent. of the premium, which check in due course was returned "no funds." and by the time the policy was marked "lapsed" the insurance fund contributed by other members had suffered an actual loss for the cost of five months' reinsurance of the excess $7,000.

If Dawson should claim that this is an extreme case, then he might show the correctness of his methods and his compliance with the law by giving an illustration of his own policies. He had three, aggregating $10,000, of which amount $7,000 was reinsured. Two of the policies, amounting to $6,000, terminated by the application of the automatic loan provision. On one of these policies for $5,000, all of which was reinsured, the premium was paid monthly, and upon payment of the first premium the society drew upon the insurance fund for a much larger amount to pay the reinsurance companies. While the $5,000 and the $1,000 policy reinsured were being carried under the automatic loan provision, the reinsurance premiums were paid in cash to the reinsuring companies by the society and the full margin for expense drawn from the insurance fund. Of the $4,000 policy still in force $1,000 is reinsured and a policy loan and seventeen automatic premium loans are charged against the policy. Reference to these particular policies is only made as an illustration of the mathematical gyrations possible in a truly mutual organization controlled by an actuarial genius.

Or, to show the effect of the note lien plan on the reserve and on the insurance fund by the payment of the reinsurance premium to the reinsuring company, and the payment of the full expense margin into the general fund—modified preliminary term applied to the ordinary life policy—Dawson might give an illustration of the policy carried by his man Best for $4,000 on the 50 per cent. note lien plan, $1,000 of which is reinsured.

By some niceties of actuarial calculation these 50 per cent. note lien policies—whether written on the modified preliminary term, or select and ultimate method—so far as the full margin of expense was concerned, were always treated as if the full regular premium had been paid in cash, and that fund furnishing the balance to make up the full margin for expense, there was therefore on these policies a constant borrowing from the insurance fund for expenses, the note lien being in excess of the reserve, as nearly all were on the ordinary life plan. If any portion of such a risk was reinsured the reinsurance premium was treated wholly as a net rate to be paid out of the insurance fund, the society so receiving the full expense margin. There were eighty-four of the 50 per cent. note lien policies distributed among the 231 remaining members of the Fellowship of Solidarity.

Dawson by such illustrations may be able to show whether in this truly mutual organization each policyholder did actually pay only his own full cost, and no more. Such illustrations may also explain why, though long and loudly promised, there was no individual apportionment and accounting, and why, with all policies participating, few death losses, and the insurance fund sacredly husbanded, no policyholder ever received a dividend during his (Dawson's) six years of disinterested effort and control.

Unless specially interested in the solution of Chinese puzzles don't blame the Insurance Department examiners if they should have failed to follow and find solution of all the actuarial ramifications of "the greatest life insurance authority in the world."

POLICY LOANS.

The society was "liberality itself" in the matter of policy loans. A member could come in the day before his premium was due, borrow his entire reserve and forget to pay his premium the next day. It never seemed to enter the poetic mind of the founder that being organized under the fraternal law there was such a thing as a mutual obligation, and that while he was injecting this "cash surrender" feature and allowing the member so to withdraw all his contribution, that the next mail might bring notices of loss and claim for which this member was liable equally with the remaining members and that by allowing such withdrawal there would be an increased burden to those who continued. True, the Superintendent of Insurance notified the society that such "cash surrender" could not be granted by such an organization; but Dawson says that it is not a "cash value," but a policy loan, and arguing from the standpoint of the regular company he no doubt could make out a plausible case. Before any communication had been received from the Superintendent of Insurance I had called the attention of the board of directors to these conditions in my report as follows:

"In considering any provision in outstanding policies, existing forms, or policies to be issued, we must constantly keep in mind the character of this society and wherein it must necessarily differ from the purely old line company; the limitations and restrictions placed upon our methods and practices by the law in promoting its growth and in the conduct of its business, and it will not do to make comparison with the practices and methods of other companies conducted as business institutions, governed by different laws, with a wider scope for their activities. No rules and regulations governing the management of a life insurance organization should be more uniform or more stringently enforced than those governing the investment of its funds, and policy loans are investments, and governing these there should be such uniformity in liberality as well as in their conservative allowance as will best conform to the interests of the society, prevent discrimination between applicants for loans and not add to the burdens of the membership. This in the past has not been the policy of those responsible for the management. From the very inception of the organization methods have been employed to suit individual cases seemingly without consideration of the effects or consequences."

I then cited to the board this example: At the organization of the Fellowship of Solidarity, June 2, 1902, a member aged thirty-three applied for a $4,000 five year endowment policy, with an annual premium of $746.16, paying his first premium June 2, 1902. Two days after this, June 4, 1902 (as shown on page 7 of the cash book) this member obtained a policy loan of $732. On July 24, 1903, he received another policy loan of $765, and on May 31, 1904, a third loan of $810, so that during the three years this policy was carried the premium and interest payments amounted to $2,397.30, while the total of policy loans amounted to $2,307.

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leaving an excess of payments to the society of $90.30. Then in August, 1905, this member changed to a $5,000 twenty payment life policy, and was given a credit of $67.06 on his new policy, thus leaving to the society $23.24 as his actual cash payment for carrying $4,000 of insurance for three years. Or, in other words, this member obtained $4,000 of insurance during the years from June 2, 1902, to August, 1905, at an annual cost of $1.93 per thousand.

My comment on this was: "If this is actuarially correct, why not furnish all members insurance by the same manipulation at the same low cost; but if it is an instance of special favor, why shift the burden of cost on the other members? The recent loans differ only in degree; not even the fear of reprisals should warrant a liberality to the individual which may prove unjust to the whole body of our members." Other examples could be cited. Dawson's explanation of this particular transaction was: "I have not had the opportunity to investigate the computations relative to the change of policy, but I do know that the work was done by a competent actuarial clerk, and I am positive, therefore, that he did not obtain an unfair advantage in any respect." The "computations" are still in the office, and Dawson can easily refresh his memory by an examination which would convince him that the figures of that computation are his own.

THE FELLOWSHIP SYNDICATE.

Before taking up some other interesting phases of the Dawson management of the society it is necessary to explain this "syndicate" and the claims for alleged advances to promote the growth of the society.

In November, 1906, the Fellowship of Solidarity entered into an exclusive agency contract with Philip C. Wadsworth, a very capable man of large experience, to remain in force for fifteen years, and providing for a large first year commission and renewals during the entire period of the contract. On the 12th day of November, 1906, this agency contract was assigned to the "Fellowship Syndicate," which was to finance Wadsworth in promoting the growth of the society, and of this "syndicate" Dawson's man Best and his brother-in-law Boyd were appointed trustees. To create a fund the "syndicate" sold certificates or stock entitling the holder to "share in all the net earnings, dividends, interests, payments and profits of said syndicate." In short, it was a speculation to reap the profits of this agency agreement, the board of directors, of which Dawson was chairman, entering into a supplementary agreement approving the assignment, and granting to the "syndicate" trustees the right to appoint another agent under the contract should Wadsworth resign or his position become vacant.

The assurances given Wadsworth and co-operation promised were not carried out, and on the 25th day of September, 1907, Wadsworth resigned. By this time somewhat over $4,000 had been realized from the sale of "syndicate" certificates or stock, and it devolved upon the trustees under the supplementary agreement to appoint a successor to Wadsworth. Instead of securing such successor efforts were made to reinsure the society, and by the bonus it was hoped to realize in such a transaction the trustees and Dawson expected to be able to redeem the "syndicate" certificates and provide for other alleged advances. But threats to take them into court on the part of some of the members if they attempted to appropriate any such bonus to cover their speculative venture prevented this transaction. Right here it may be well to state that the members who had the temerity to block these disinterested efforts of Dawson and his friends were "blacklisted" by the cashier receiving instructions to keep careful watch should any of them become in arrears for premium payments, as "none of them were good risks." And this, too, after Dawson had participated in insurance investigations where much indignation had been expressed for alleged similar practices!

Unable to bring about the reinsurance, and the "Fellowship Syndicate" speculation not proving a paying venture, no successor to Wadsworth was appointed by the trustees, as this would only have required raising more money by the sale of certificates or stock, and all efforts were then directed to unload the "syndicate's" obligation on the society itself. It was this obligation which was referred to as "money advanced to promote the growth of the society" when the matter was presented to me, but without the full and proper explanation which would have stamped it as a mere speculation for which, under no circumstances, could the society be held liable. Not being familiar with the details of this transaction, but assuming that the facts were as presented, I readily agreed that "money advanced to promote the growth of the society" should be repaid if it could be so arranged as not to prove a burden to the membership or retard the growth of the society.

Dawson then immediately drafted a new agreement—this time direct with the society, in which he again named his man Best and brother-in-law trustees—providing that all claims filed for money advanced by the "syndicate" and all other persons, for promotion of the society, should be filed with and be passed upon by the trustees, and that such claims should be met by a "special fund" created by the society, into which were to be paid certain first year and renewal margins of all new premiums written.

I did not believe that the "syndicate" trustees should be allowed to pass upon their own claims or permitted to determine what other claims should be allowed and imposed on this special fund of the society, and therefore changed this provison so that all claims under this new agreement should be filed with the president within a specified time, so that an audit of these claims might be made by disinterested parties before being presented to the board of directors for final acceptance. The effect of this change had in some manner been overlooked until after the claims had been filed. These aggregated $18,079.88, and of this sum the claims of Miles M. Dawson amounted to $11,956.73.

That it was not wholly a labor of love on his part—actuated only by an uncontrollable desire to present for the benefit of mankind an ideal truly mutual life insurance society—is shown by some of the items which make up this account, commencing with charges for money advanced nearly two years before the society was organized. His explanation, too, of some of these items is so unique that one at least should be rescued from the letter file as an evidence of his extravagant disinterestedness Numerous advances to his son are shown, amounting to $685, although the records show that he was engaged on a purely commission basis, and for that reason no doubt an explanation addressed to me accompanied the statement, in which he says:

"During this time I was furnishing him board and lodging without charge, though he was giving his entire time to the Fellowship, and for that I am making no claim."

Why not? The boy had to be fed and housed even though he was only twenty-four or twenty-five years old and was receiving commissions on what business he wrote. What's the use of creating an ideal truly mutual organization and then being compelled to feed and lodge your own boy? To what extremes the restraining effects of the Armstrong investigation do carry some people, and yet there are those who insist that its influence was wholly bad and a detriment to the business!

Though repeatedly calling attention to the necessity of having an audit of these claims, it was impossible for more than three months to secure the adoption of the necessary resolution by the board of directors. By that time the three "syndicate" trustees had been made directors and constituted a majority of the board. Best being the de facto chairman, though there was a question at the time whether he was legally a member.

The resolution appointed the president, assistant secretary and the chairman of the board as an auditing committee, and after waiting thirty days for the de facto chairman to put in an appearance—and in view of his questionable title as chairman and on the suppositon that as chairman of the "syndicate" trustees there might be a certain hesitation about passing upon his own and the "syndicate" claims—the president and assistant secretary performed their duty as auditing committee and, with a verification of the same by an expert accountant, submitted their report to the board of directors.

This report cut down the claims filed to $3,451.61, and this result would have been no different had the de facto chairman participated in the audit—though there might have been a minority report, which could have had no effect on the purpose aimed at in this audit, viz., to protect the society from an exorbitantly unjust imposition—since, with the three syndicate trustees constituting a majority of the board, they could not, acting in a dual capacity, vote down this report of audit. And even though they did not adopt the majority report, the record of disapproval had been made, though Best did try to obliterate this record by cutting out the pages of the minutes of the meeting on which this report of audit appeared.

A much more effective method would have been to have accepted my suggestion to allow the members of the society to elect their own board of directors with a full membership of nine, and then have a new audit by two disinterested accountants, one representing the society and the other the claimants. I do not blame Best for desiring to get out from under the "syndicate" obligations which the acceptance of the trusteeship imposed. If he was made a goat of he must look for relief in another direction than mine. It was my duty only to guard the interests of the society. It may be very flattering to his vanity to imagine that Dawson pushed him into his vacant chair on the board of directors because of his "technical knowledge of life insurance," but no one has ever seriously charged him with being guilty of such knowledge. Copying and compiling abbreviated annual statements of companies and reading proof of the comments of such company statements and the preface as prepared by Dawson, even when printed and bound in an unhandy volume, does

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FIRE INSURANCE AGENTS
CAN GET
LIBERAL COMMISSIONS
ON CASUALTY LINES
PHILADELPHIA CASUALTY CO. PHILADELPHIA PA.

not necessarily furnish conclusive evidence of "technical knowledge of life insurance," though it might convict some subscribers of gullibility.

The same determination last fall to reinsure the society and employ the bonus thereby realized to pay these alleged claims was incessant in subordinating every interest of the society to a realization of their hopes for prompt payment. It was this determination which led Dawson to dictate Best's election on the board of directors, knowing that it was his expressed resolve to agitate and work for a reinsurance of the business if he went on the board, although as a syndicate trustee he knew that the only consideration for the new agreement was that the trustees were to use their best efforts and support to the upbuilding of the society. No one can read the agreement to accept and insure the "contract reserve" business of the Mutual Reserve—an agreement drafted by Miles M. Dawson acting in the dual capacity of consulting actuary for the receivers of the Mutual Reserve and as chairman of the board of directors of the Mutual Savings Life—without being forced to the conviction that whatever might be the effect of the acceptance of this business on the society, its purpose must have been to promote the payment of these alleged claims for advances, if an audit of these claims could be prevented or they were accepted without question.

(Continued next week.)

Provident Savings Life Assurance Society—Report of Public Accountant J. R. MacNeille.

A report of a public accountant, John R. MacNeille, on the condition of the Provident Savings Life Assurance Society as of September 30, 1908, was made public on Monday of this week. A surplus of $357,494.14 is shown. In summarizing conditions the report says in part:

The important increases in assets up to September 30, 1908, as compared with September 30, 1907, are as follows:

LEDGER ASSETS.

	Increase.
Book value of real estate	$432,104.15
Mortgage loans on real estate	50,404.61
Loans to policyholders	609,708.36
Book value of bonds	433,338.07

The important decreases in assets up to September 30, 1908, as compared with September 30, 1907, are as follows:

LEDGER ASSETS.

	Decrease.
Premium notes	$6,917.27
Cash in office and in banks	1,065,911.02
Cash from agencies	12,740.13
Agents' balances	114,518.92

There are no important changes in the liabilities, as compared with a year ago, except an increase in the "net reserve" of $180,219 and an increase in the "policy claims" of $26,327.35.

The withdrawal of large deposits of cash belonging to the society, bearing low rates of interest, from sundry banks, and the investment of these funds in safe and proper interest bearing securities, as above shown, has improved the financial strength of the society.

The increase in book value of real estate is largely due to the payment of mortgages outstanding on sundry real estate at the time it was acquired by the society, and this reduction of incumbrances has affected a considerable saving in mortgage interest payable by the society.

There have been large reductions made in agency and office expenses, employees have been dispensed with, and the expenditures materially reduced as compared with that obtained September 30, 1907.

In the statement of the society's financial condition, which is submitted with Mr. MacNeille's report, the net reserve of $8,999,892 is calculated on the 4½ per cent. basis. This is the New York Insurance Department's standard of solvency. If the reserve is calculated on the 3½ per cent. basis, as required by the department, before a life insurance company can enter the agency field for new business, the financial statement would show an impairment of about $200,000.

The new management is said to be now considering the means for making good the amount required. The net total of admitted assets is placed at $9,857,278.68. The loans to policyholders aggregate $3,358,090.73.

BRITISH AMERICA ASSURANCE CO., INCORPORATED 1833.
FIRE AND MARINE. Head Office: TORONTO, CANADA.
UNITED STATES BRANCH.
JANUARY 1, 1908

Assets	1,545,432.69
Liabilities	1,063,661.55
Net Surplus	$481,771.14

HON. GEO. A. COX, President. W. R. BROCK, Vice President.
W. B. MEIKLE, General Manager.

NOTICE
Insurance Losses and Claims for Damages amicably and satisfactorily Adjusted. Otherwise resisted, defended at Law or in Equity for Companies by
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GO ANYWHERE. OPERATE ANYWHERE.

1825. THE 1908.
Pennsylvania Fire Insurance Co.
OF PHILADELPHIA.

Cash Capital	$750,000.00
Reinsurance and all Liabilities	4,096,853.14
Surplus	1,615,263.97
Total January 1, 1908	$6,462,117.11

R. DALE BENSON, Pres. W. GARDNER CROWELL, Sec.
JOHN L. THOMSON, Vice-Pres. HAMPTON L. WARNER, Asst. Sec.
WM. J. DAWSON, Sec. Agency Dept.

CHARTERED 1866.
HARTFORD LIFE
Insurance Company of Connecticut
GEO. E. KEENEY, President.
ALL THAT IS BEST IN LIFE CONTRACTS
EITHER TO BUY OR SELL
$30,000,000 Paid Policyholders and their Beneficiaries.

GERMANIA
FIRE INSURANCE COMPANY
NEW YORK.
ORGANIZED 1859.

Cash Capital	$1,000,000.00
Assets	5,185,649.51
Net Surplus	949,260.99

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Cor. William and Cedar Streets.

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HOME OFFICE OF THE

Metropolitan Life Insurance Co.

INCORPORATED BY THE STATE OF NEW YORK

The Company OF the People, BY the People, FOR the People.

PROOF OF PUBLIC CONFIDENCE

This company has more premium paying business in force in the United States than any other Company, and for each of the last 14 years has had more New Insurances accepted and issued in America than any other Company.

The number of Policies in force is greater than that of any other Company in America, greater than all the Regular Life Insurance Companies put together (less one), and can only be appreciated by comparison. It is a greater number than the Combined Population of Greater York, Chicago, Philadelphia, Boston, St. Louis, Cleveland, Cincinnati and Milwaukee.

ASSETS.

United States, City and R. R. Bonds and Stocks	$81,500,727.38
Bonds and Mortgages	74,620,197.45
Real Estate	19,905,683.43
Cash	5,258,969.45
Demand Loans on Collateral	3,476,500.00
Loans to Policyholders	6,562,375.12
Prem. deferred and in course of collection (net)	4,772,106.25
Accrued Int., Rents, etc	2,233,904.15
Total	$198,320,463.23

LIABILITIES.

Reinsurance Fund and Special Reserves	$181,775,579.00
All other Liabilities	1,542,371.65
Capital and Surplus	13,951,899.14
Total	$198,320,463.23

Largest Office Building in the World—Madison Avenue, Fourth Avenue, 23d Street and 24th Street, New York City.

SIGNIFICANT FACTS

This Company's Policy-claims paid in 1907 averaged in number one for every 64 seconds of each business day of 8 hours each and in amount $124.95 a minute the year through.

THE DAILY AVERAGE OF THE COMPANY'S BUSINESS DURING 1907:

452 per day in number of Claims Paid.
6,391 per day in number of Policies placed and paid for.
$1,239,393.45 per day in New Insurance placed and paid for.
$162,489.27 per day in Payments to Policyholders and addition to Reserve.
$72,011.34 per day in Increase of Assets.

OFFICERS

JOHN R. HEGEMAN	President
HALEY FISKE	Vice President
GEORGE H. GASTON	2d Vice President
GEORGE B. WOODWARD	3d Vice President
FRANK O. AYRES	4th Vice President
JAMES M. CRAIG	Actuary
FREDERICK H. ECKER	Treasurer
WALTER STABLER	Comptroller
JAMES S. ROBERTS	Secretary
JOHN R. HEGEMAN, Jr.	Asst. Secretary
J. J. THOMPSON	Assistant Secretary
T. R. RICHARDSON	Assistant Secretary
F. F. TAYLOR	Assistant Secretary
FREDERICK A. BETTS	Assistant Secretary
STEWART L. WOODFORD	Counsel
THOMAS H. WILLARD, M. D.	Med. Direct.
AUGUSTUS S. KNIGHT, M. D.	Med. Direct.
W. S. MANNERS, M. D.	Asst. Med. Director
E. M. HOLDEN, M. D.	Asst. Med. Director
I. J. CAHEN	Manager Ordinary Dept.

Paid to Policyholders since Organization, plus the Amount now invested for their Security, $407,462,482.06.
Number of Policies in Force, 9,620,009. Amount of Outstanding Insurance, $1,804,946,581.00.

In its Ordinary Department policies are issued for from $1,000 to $1,000,000 on individual lives, premiums payable annually, semi-annually and quarterly. In its Industrial Department policies are issued on all the insurable members of the family for weekly premiums.

Full particulars regarding the plans of the Metropolitan may be obtained at its Home Office, 1 Madison Ave., New York City, or of its Agents in all the principal cities of the United States and Canada.

The Franklin Fire Insurance Co.

OF PHILADELPHIA

November 12, 1908

At a meeting of the Board of Directors held this day, Mr. James W. McAllister voluntarily tendered his resignation as Presiden of this Company to take effect December 31, 1908, and on motion he was unanimously elected President Emeritus to date from January 1, 1909.

Mr. Alfred E. Duncan was unanimously elected a Director of this Company, and also President, to take effect January 1, 1909.

E. T. CRESSON,
Secretary.

Can You Sell Life Insurance?

If You Are Confident

that you can sell life insurance if allied with the *right* Company issuing the *right* kind of a policy, and are not satisfied with the success you have attained in the past, try an Equitable contract. You will at once discover—

1st: That the State indorsement of the Standard Policy convinces the most skeptical applicant that its provisions are absolutely in his interest.

2d: That when it is further demonstrated that the Equitable is the strongest Company in existence, the average man will prefer it to any other.

3d: That the prompt payment of all just death claims by the Equitable (which is the chief function of any life insurance company) will enable you to secure business which might otherwise go elsewhere.

Equitable representatives are making money.

For information regarding an agency, address
GEORGE T. WILSON, 2D VICE-PRESIDENT

The Equitable Life Assurance Society
OF THE UNITED STATES
120 BROADWAY, NEW YORK CITY

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Mutual Life Policies

ARE EASIEST TO SELL

BECAUSE

Yearly dividends have been increased for the last three years, 1906-7-8, at a rate equaled by no other company.
Cash values guaranteed in the new life and endowment policies are equaled by few companies.
Attractive features have been added to standard policy forms.
Liberal terms offered producing agents under the 1908 contracts.

For information, address

GEORGE T. DEXTER
Second Vice-President
The Mutual Life Ins. Co. of New York
34 Nassau Street, New York, N. Y.

1860 48TH YEAR 1908

HOME LIFE INSURANCE COMPANY

OF NEW YORK.

GEORGE E. IDE, President

ASSETS, $20,004,853.63. LIABILITIES, $19,235,418.20.
(Including Dividend-Endowment Fund)

Dividend-Endowment Fund (Deferred Dividends)	$1,795,020.00
Net Surplus	769,435.43
Insurance in Force	86,193,296.87

The forty-eighth annual report shows a gain in the amount of insurance in force; that assets were increased nearly $1,000,000, and that over $300,000 was paid to policyholders in dividends.

The Connecticut Mutual Life Insurance Company

Stands alone among the American companies of any note, in having repaid to its members, their beneficiaries and estates, in annuities, endowments, death claims, surrender values and dividends, more than it has received from them in premiums. These are the totals:

Received since organization—1846	$249,356,745.45
Repaid as above noted	253,641,382.54
Excess over amount received	4,284,637.09
Assets December 31, 1907	65,003,271.10
Surplus December 31, 1907	2,326,657.25
Insurance in force December 31, 1907	174,716,005.00

President, JOHN M. TAYLOR.

COMMERCIAL UNION ASSURANCE CO.

LIMITED,
OF LONDON.

OFFICE:
Cor. Pine & William Sts., New York

QUEEN

Ins. Co. of America.

NEW YORK.

The Agricultural Insurance Company of Watertown, N. Y.

ESTABLISHED 1853.

Assets, January 1, 1908	$2,717,477.10
Total Liabilities, except Capital	1,705,859.80
Joint Stock Capital	500,000.00

(FIRE)

German American Insurance Company New York

STATEMENT JANUARY 1, 1908

CAPITAL
$1,500,000
RESERVED FOR ALL OTHER LIABILITIES
7,592,685
NET SURPLUS
4,415,353
ASSETS
13,508,038

FIREMEN'S

Insurance Company of Newark, N. J.

ORGANIZED 1855

CAPITAL,	$1,000,000.00
ASSETS,	4,701,068.80
SURPLUS TO POLICYHOLDERS,	3,148,371.45

DANIEL H. DUNHAM, President CHARLES COLYER, Vice-President
A. H. HASSINGER, Secretary

WHITON & MERGES, Agents, . . 73 William Street, New York
LEWIS & FREAR, Agents, . . . 145 Montague Street, Brooklyn
H. W. BEALS, Suburban Agent, . 76 William Street, New York

Insurance Co. of North America,

232 WALNUT STREET, PHILADELPHIA.
FOUNDED 1792.

Assets, January 1, 1907		$10,748,864
LIABILITIES—Reserved for Reinsurance and all other claims	$6,705,870	
Capital Stock	3,000,000	
Surplus over all Liabilities	1,042,994	$10,748,864

Agents in all the principal towns and cities.

CHARLES PLATT, President.

EUGENE L. ELLISON, Vice-President.
BENJAMIN RUSH, Second Vice-President.
GREVILLE E. FRYER, Secretary and Treasurer.
T. HOUARD WRIGHT, Assistant Secretary.
HENRY W. FARNUM, Marine Secretary.
JOHN O. PLATT, Assistant Secretary.

Offices in New York: Fire, 51 William St.; Marine, 63 Wall St.

SAMUEL GANS, President
LEOPOLD GANS, Vice-Pres. & Gen'l Mgr.

SAMUEL GANS CO.

186-188 WOOSTER ST., N. Y.
New York Chicago Atlanta

Renovators of Fire and Marine Salvages

Telephone: 580 Spring

Stocks handled at lowest percentage consistent with proper results, accompanied always with Cash Guarantee. Our methods fortify adjusters in advance of closing loss.
Always telegraph or telephone at our expense.
Expert advice cheerfully given.

EDWIN W. WILE, Resident Manager
Home Office: Chicago, 207-209 E. Madison St.

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THE
PENN MUTUAL LIFE
OF PHILADELPHIA
HAS FURNISHED
PERFECT PROTECTION AT PROPER RATES
For 60 Years
Our agents are representative citizens of their respective communities.

Provident Life and Trust Co.
OF PHILADELPHIA.

The **new policies** of the Provident are unsurpassed for conciseness and simplicity of form and for adaptability and liberality in all essentials.

The premium rates of the Provident are exceedingly low and are still further reduced by large annual dividends.

North British & Mercantile
INSURANCE COMPANY,
OF LONDON AND EDINBURGH.

Established 1809.

OFFICE:
76 WILLIAM STREET,
New York City.

Western Assurance Company
HEAD OFFICE: TORONTO, CANADA.
INCORPORATED 1851.
Hon. GEO. A. COX, President.
W. R. BROCK, Vice President.
W. B. MEIKLE, General Manager.
UNITED STATES STATEMENT, JANUARY, 1908.

Assets	$2,313,223.21
Surplus in United States	584,136.52

Established 1782.
Phoenix Assurance Company, Ltd.,
OF LONDON.
FIRE INSURANCE ONLY. LOSSES PAID, OVER $135,000,000.
Head Office for the United States, 47 Cedar St., N. Y.
A. D. IRVING, Manager LOUIS P. BAYARD, Asst. Manager
A. D. IRVING, JR., Sec.

SUN
Insurance Office
OF LONDON
FOUNDED 1710
UNITED STATES BRANCH:
54 PINE STREET, NEW YORK
WESTERN DEPARTMENT:
171 LA SALLE ST., CHICAGO
PACIFIC DEPARTMENT:
N. E. Cor. Sansome and Sacramento Sts.
SAN FRANCISCO, CAL.

Accident INSURANCE Health
CONTINENTAL CASUALTY COMPANY
CHICAGO, ILLINOIS
The Largest Company in America Writing Accident and Health Insurance only
More and better forms of accident and health policies, issued separately or in combination, than are sold by any other company, including the latest popular winner ANNUITY ACCIDENT INSURANCE
If not now representing an accident company, address:
H. G. B. ALEXANDER, President and General Manager.
1208 Michigan Avenue, CHICAGO, ILL.

Organized 1871
Life Insurance Company of Virginia
HOME OFFICE, RICHMOND, VIRGINIA
J. G. WALKER, President.
T. WM. PEMBERTON, 1st Vice-Pres. W. L. T. ROGERSON, Secretary.
The PIONEER Southern Industrial Life Insurance Company.
The OLDEST Southern Life Insurance Company.
The LARGEST Southern Life Insurance Company.
The most approved forms of Life, Endowment and Industrial Policies issued on favorable terms.

Assets	OVER $4,000,000.00
Insurance in force	OVER $61,000,000.00
Total payments to policyholders since organization	OVER $8,500,000.00

London Assurance Corporation,
CHARTERED A. D. 1720.
Surplus in United States January 1, 1907, $650,599.91.
CHAS. LYMAN CASE, Manager.
84 William Street. NEW YORK.

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The Weekly Underwriter:

AN INSURANCE NEWSPAPER.

ESTABLISHED 1859.

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CHARLES A. JENNEY, President and Treasurer. L. ALEXANDER MACK, Secretary.

A FORM of fire insurance policy satisfactory to everybody concerned may for obvious reasons never be reached, but probably there will always be a movement toward it. A step will be taken in that direction at a meeting of the committee on laws and legislation of the National Convention of Insurance Commissioners, to be held at Chicago on Monday, December 7. The committee has invited all organizations and individuals interested in the subject to submit briefs or oral statements at this meeting, and views are particularly requested on the questions whether there is a demand for a simplified form, what are the objections, if any, to the New York standard form, and how can the New York form be improved? There should be a liberal response to the committee's invitation. There is a tendency in legislatures to take up the work of constructing standard fire insurance policies, and always in the actual or imaginary interests of the insured as against the insurer. A particularly vicious form was adopted in California last year, which, if it had been approved by the Governor, would have driven the agency companies from the State. Wisconsin and Iowa also dabbled in policy form legislation. The best safeguard against legislation that will be unjust to the companies is the preparation of a form by the associated insurance commissioners which they can recommend to their respective State legislatures to adopt. Their judgment will be in most cases acceptable to the legislators. It is greatly to the interest of the insurers, therefore, to assist the commissioners' committee in this work, and there can be no doubt that their advice will be very much welcomed and make a valuable impression.

A PRACTICAL way of stimulating the attention of the life insurance policyholder to the danger to his company by harmful legislation is suggested by Agency Director Hone, of the Cleveland Life insurance company, in a letter addressed to the policyholders in the company paper. He asks them to send him the names of their immediate representatives in their respective State legislatures, so that he may be able to keep these persons informed by all proper means of the claims of the policyholders on their sense of justice. A copy of whatever is sent to the legislator will be sent to his constituent policyholder, and thus the three elements, company, lawmaker and premium payer, will be kept in close touch in these matters. The connection thus effected cannot fail, we think, to arouse the perception of the policyholder to his own interests in legislation. When his representative in the Legislature boasts to him that a bill has been introduced to increase the revenue of the State by the taxation of the life insurance premium, he will be sufficiently alive to the situation to say, "That will be equivalent to double taxation on me, for every cent the State exacts from the insurance company will in the end come out of my dividends or increase the cost of my insurance by compelling a larger premium." Mr. Hone puts these points very effectively in his letter when he says:

> The policyholders of this country in your State—there are a surprising number of them—can with their friends (policyholders of other insurance companies) exercise an enormous influence if you will only wake up, get together, organize, work. It is worth an effort. We will help you, but we can't do it all for you. Remember we are heartily in favor of any law that can be shown to benefit you, but remember also that many of the laws which apparently benefit policyholders in reality harm them, because it is impossible to harm the companies without hurting you. An increased tax means a decreased policy dividend, unjust restrictions mean the loss of good business, the loss of good investments or some other loss; but no matter what it may be, you, as a policyholder, pay the bill. You suffer the loss. Why should life insurance be taxed at all? It comes out of your pocket, why allow it to be taken from you? In England they not only do not exact a tribute, but actually exempt from taxation one-sixth of one's income if invested in life insurance. Other foreign governments have found that life insurance is the greatest preventive of poverty, that it is the greatest promotor of economy, thrift, self respect and prosperity, and that pauperism and crime do not thrive among people who deny themselves temporary luxuries to secure future independence.

The companies should not be left to do all the fighting for the policyholders. Their co-operation, properly directed, would constitute a powerful and almost irresistible force.

OUR Governor has been making speeches this week, giving his view of the causes which led to his re-election and foreshadowing his action in reference to the policies which, he says, inspired opposition to him during the election canvas. It is evident that the Governor regards his re-election as an endorsement by the people of his course in all these disputed questions. With that idea stuck fast in his brain it would seem idle to hope that he can be induced to reconsider the position which he has assumed toward a modification of the life insurance laws. We presume that President Kingsley and the numerous life underwriters who have labored for remedial legislation do not purpose abandoning their efforts for a rightful adjustment of the laws because the Governor is to continue in office. It is easy to understand that they do not regard the result of an election in a presidential year, which swept him into office with his party associates, as an expression of public opinion on insurance law. In fact the body of voters heard almost nothing of the insurance question during the campaign, and the advocates of reform can go confidently to the next Legislature of New York without the feeling that they have experienced a popular rebuke. More than half of both houses of the Legislature, which will convene on January 1, will be

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composed of old members—members of a legislature which passed the amendatory bills with but one opposing vote. It is reasonable to believe that those who voted for the bills, after due deliberation, will be disposed to vote for them again, and thus the prospect of their repassage appears favorable. They would doubtless encounter the Governor's veto and have to take the chance of a repassage over the veto, which chance is a good one. The Governor in his speech at the Republican Club this week spoke of a "host of applications for every position" that becomes vacant in the State administration after the beginning of the new year. Naturally the interest of all insurance men centres in the successorship to Superintendent Kelsey, whose term of office will regularly expire February 11. We believe that it is the general judgment that, with the exception of John A. McCall, there has been no more efficient Superintendent of Insurance than the present incumbent since the office was created. The business of the department has increased enormously in recent years, and the superintendent has been handicapped by an inadequate force until lately, but it is common observation that he has emerged from these difficulties with much success. It would be highly to the credit of the Governor if he recognized this fact. His more ardent advisers believe that he possesses all the constituents of greatness. How "truly great" he would appear if he overcame his prejudices against Otto Kelsey, admitted his mistake, overlooked the two Senate buffets, and reappointed him superintendent! But the age of miracles has passed.

Facts and Opinions.

The **danger of inadequate rates among the fraternals** was discussed in a recent interview by Former Insurance Commissioner Host, of Wisconsin, who predicted the failure in the next two years of a number of these orders. He advocates a law penalizing the officers and managers of a fraternal society who continue to wilfully collect inadequate rates from the membership. He is quoted as saying that if he had had more time during his incumbency of the office of Insurance Commissioner he would have examined two or three of the larger fraternal societies and exposed to the public the viciousness of their condition and misrepresentation. Truly the former commissioner should know whereof he speaks, for he spent twenty months in reorganizing the insurance department of the Knights of Pythias on an adequate basis, and was particularly successful in his work, placing as he did, through transfer and new applications, $70,000,000 of business, a banner record for a fraternal. Mr. Host admitted that it makes him shudder to think that approximately 7,000,000 people in the United States are carrying unstable insurance in fraternal societies, which, from the point of view of the beneficiaries, affects probably 25 per cent. of the population. Mr. Host consistently argues that it is unfair that State laws provide a penalty for the bank cashier or president who accepts money after his institution is insolvent and yet do nothing to prevent a fraternal from wilfully collecting inadequate rates from the members. In commenting on the failure in Wisconsin of the Ancient Order of United Workmen, when some 4,500 of the citizens of that State lost their insurance at a time of life when many could secure no other protection, Mr. Host said that it would have been much better to have continued the Louisiana State lotteries or the defunct "Iron Hall," where everyone recognized the scheme was a gamble, than to fool people into buying protection which does not protect. Mr. Host commented on the sad awakening coming to the members of the Modern Woodmen of America, some million in number, who are carrying their insurance at very inadequate rates. He quoted a report of Major C. W. Hawes, the secretary, which showed that for the insurance in force of $1,136,678,500 at that time, only $466,069,383 was being paid for at the current rates, leaving $670,609,117 of insurance wholly unprovided for. In other words, the organization was really paying for but $399 out of every $1,000 of insurance, leaving $601 out of every $1,000 as a "worthless promise to pay, so far as our future ability to pay was concerned." The former commissioner goes on to say that he recognizes the benefits that have accrued from fraternal insurance, but says that he questions whether the amount of good done by the fraternals has made up for the injustice which has been done in the past to the members and beneficiaries of societies which have failed and will fail in the future. He evidently reasons that it was luck rather than good management which prompted payments on the lives of those of the members who died prematurely, while those who lived out their expectancy left their widows penniless. The former commissioner questions whether the benefits of the system will compensate also for the forthcoming readjustment of rates which will affect the insurance of the 7,000,000 members who are now resting in a false security. To them will be imposed the duty of paying for not alone their own deficiency but for those of their fellow members who have already passed away. A man certainly should die young to get his money's worth out of a fraternal insurance society.

Suit to **oust** the **Ohio German** of Toledo **from Ohio** has been filed in the Circuit Court in that city by Acting Attorney General U. G. Denman. The appointment of a receiver is also sought. Judge C. C. Lemert, the Insurance Superintendent, has stated that the action was brought at his request as a result of an examination his department has been conducting. Superintendent Lemert states as follows:

"The original files and records of the company have been so changed," said Mr. Lemert, "that I cannot now accurately state the true financial condition of the company. When the examination is complete it will be found that the assets of the company, after deducting therefrom all liabilities, including the true and correct amount of reinsurance reserve, will have been reduced more than 40 per cent. below the capital required by law. The original reports submitted by agents, upon which all records pertaining to the liability for unearned premiums are based, have been so falsified that the books now show a liability on this account much less than the liability required by law. The falsification was carried on by the substitution in the regular files of false daily reports for the original reports submitted by agents."

The New York, Indiana and Michigan insurance departments have revoked the company's license in those States. President Michael Donnelly has issued a circular letter to agents of the company, in which he says:

This company will continue business, talk to the contrary notwithstanding. We have been criticised by the Ohio Insurance Department for irregularities, but we want to state to you that we are prepared to meet the requirements of the law and do that which is necessary to place the affairs of the company on a strong, substantial basis, as was done as a result of the Baltimore conflagration. We have met our contracts in the past, and will continue to do so in the future. We want your moral support, and hope you will favor us with your co-operation.

Later reports from Toledo have it that the Circuit Court will appoint trustees for the company under an Ohio law which gives such trustees even more authority to administer affairs than a receiver could have. It is believed that L. L. Chapman, of the Toledo insurance firm of Parker, Frost & Chapman, will be named as one of these trustees. Superintendent Lemert is quoted as saying that the company's condition is shown to be worse than originally expected. President Donnelly himself is believed to have lost his all in the company.

Announcement has been made by the Conservator Publishing Company of the early **publication** of a work to be entitled **"National Fraternal Congress Table of Mortality,** With Original and Derived Tables Based Thereon." This publication, in addition to the mortality table and the commutation

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columns, accompanied in each case by their logarithms, will give tables covering the net annual and single premiums at 4½, 4 and 3½ per cent. interest, and valuation columns and whole life annuities at the several rates of interest. It will also give tables of the terminal and mean net values and the cost of insurance on the whole life, limited pay and endowment plan for the various terms of years generally used. In addition the book will give immediate temporary annuities, single premiums for temporary insurance, single premiums for endowment insurance and single premiums for pure endowment insurance, at 4 per cent. interest. There are numerous other features for minds actuarially inclined. The actuarial work on this book has been done either personally by or under the direct supervision of George Dyre Eldridge, consulting actuary, and the utmost care has been taken to secure absolute accuracy and to include all necessary working tables, even for actuaries who may have complicated or unusual problems involving the National Fraternal Congress Table. The publication price of the book is $20. William T. Eldridge is the business manager.

The chances are now favorable for the introduction of a number of insurance bills in the session of the **Tennessee Legislature** which begins January 4 next. It is probable that a bill will be proposed prohibiting the sale in that State of "parlor matches." Another bill will provide for the use of the three-quarter clause and another for the use of the iron safe clause in policies on country stores. Still another bill has been prepared providing for a list of questions to be answered under oath for the purpose of reducing the moral hazard on fire risks. This bill has already been prepared for introduction. These questions will include actual value, cost, condition, age, exposures, kind of flues, opening in walls, kind of roof, whether mortgaged and for how much, name of agent who examined the risk, date of examination, amount of risk desired, etc. The purpose of this is to prevent overinsurance or to prevent insurance on risks which show moral or physical defects, thereby lessening the fire waste and also preserving to the people in a large measure the natural resources of the country in timber and other materials which enter into the construction of buildings and the manufacture of goods. This law will create better physical risks by forcing the people to correct and improve defects, and better moral risks by forcing them to tell the truth concerning their property and forcing the agent to do his full duty.

A pleasant feature of the tenth annual meeting of the **Connecticut Association of Local Fire Insurance Agents,** held at Meriden, Conn., on Thursday last, was the presentation of a suitably engraved silver loving cup to President J. L. Cunningham, of the Glens Falls, who was one of the speakers at the dinner. The gift was from the Connecticut agents of the company, and the veteran president was deeply moved by this evidence of their appreciation of him. The association put itself on record as being opposed to the solicitation of risks by agents who had come into possession by reinsurance or otherwise of data regarding their competitors' business; also against the multiple agency system. The sessions closed with a banquet at the Hotel Winthrop. Officers and executive committee were elected as follows: President, W. H. Squire, Meriden; vice presidents, C. L. McNeil, Torrington; E. S. Cowles, Hartford; Philip L. Holzer, Bridgeport; secretary and treasurer, E. W. Kneen, Shelton; executive committee, R. B. Pearce, Danbury; J. L. Case, Norwich; T. S. Brown, East Hampton; W. H. Heald, Stafford Springs; J. K. Guy, Middletown; G. E. Boyd, Waterbury; C. N. Downs, Derby; C. T. Cannon, New Haven; W. L. Hatch, New Britain; F. A. Stevens, Meriden; L. D. Rhinehard, Stamford; F. J. Emmons, New Milford.

Considerable credit should be given the Ohio Fire Marshal's Department for the comprehensive compilation of lectures on **fire prevention methods** issued to be used as a text book in the **Ohio schools**. Volume I, entitled, "Dangers and Chemistry of Fire," compiled by Assistant Fire Marshal Clarence Maris, contains lectures for the use of scholars in grammar schools who, according to the Reed law, must be instructed for not less than half an hour a month in this important subject. The book of lectures for this purpose is prepared at the expense of the State, and includes sixteen chapters which treat of the following subjects: Carelessness with matches, the safety match, death from playing with matches, the kerosene lamp, kindling a fire, stoves for cooking and heating, open fireplaces and grates, fires from chimneys, stovepipes and smoke, how sparks start fires, the ash heap and the coal pile, dangers from leaking gas, gas lights, the danger from Christmas trees, the district schoolhouse, and fire danger from oil and grease. There are twenty-four more of these lectures to come, and in the meantime Fire Marshal Rogers is hoping to receive suggestions from the teachers as to improvements in the manner of presentation and other things connected with the course. The law says that the instruction shall be given to all children in public and private schools, between the ages of six and fourteen years.

All indications point to a record breaking attendance for the annual meeting of the **Association of Life Insurance Presidents,** which begins on Friday morning, December 4. Although memorial addresses in honor of the late chairman of the association, Grover Cleveland, will occupy the morning session on Friday, the taxation conference will begin at 2 o'clock that afternoon with papers by the following:

"Objects of the Conference and Necessity for Co-operation," by Robert Lynn Cox, general counsel and manager of the Association of Life Insurance Presidents.

"Necessity for Reform of Life Insurance Taxation," by Lester W. Zartman, Ph.D., Yale University.

"Life Insurance Taxation from the Viewpoint of Companies and Policyholders," by Hon. John F. Dryden, president of the Prudential.

"The Spread of Legislation, with Particular Reference to Taxation Problems," by Robert H. Whitten, Ph.D., librarian and statistician, New York Public Service Commission.

"A Message from the South and West," by Samuel Bosworth Smith, president of the American Life Convention.

The session Saturday will be devoted to an informal discussion of the tax question, and the subject will be presented by representatives of a number of companies from their respective viewpoints.

The examination of the **German Union Fire** of Baltimore, which has a Delaware charter, by the Maryland department, will, it is thought, be finished this week. Trouble has arisen over the recent purchase of a portion of the stock of the company by Dickson & Tweeddale, of New York. The sale was made by Henry G. Bunnecke, formerly vice president. Dickson & Tweeddale have asked for an injunction in Wilmington, Del., restraining the present management from reinsuring or in any other way disposing of the business. Bunnecke has asked for an injunction in Baltimore restraining the management from hypothecating or in any way disposing of the securities. The latter claims that in the sale of his stock he resigned as a director and vice president, but that the directors would not accept his resignation. The directors have appointed a committee of five, consisting of three directors and two stockholders, to try to adjust matters with Dickson & Tweeddale.

The meeting of the **Home Life agents** in New York city on Monday and Tuesday of this week resulted in the formation of a general agents' association and the election of the following officers: President, Clarence A. Wray, of Philadel-

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phia; vice president; W. A. R. Biuehl, of Cincinnati; secretary and treasurer, William Van Sickle, of Detroit. An executive committee of eight was chosen with the officers as members ex-officio, of which George W. Slauson, of Baltimore, is chairman. The association will promote the interests of the agents, company and policyholders. A banquet was held Tuesday evening at the Imperial Hotel, at which several of the company's officers spoke, among the number being President Ide, Vice President Marshall, Assistant Secretary Henry Ide, and George W. Murray, superintendent of agencies. One general agent came a long way to attend the meeting, his home being at Aberdeen, S. Dak.

A **new style standpipe** for fighting fire in skyscrapers was tested this week in Long Island City in the presence of many New York city officials. The device used was the Couran standpipe. It was 6 inches in diameter and 170 feet high. Beginning 55 feet up were eleven nozzles 10 feet apart. The operator was able to elevate or lower the whole pipe 6 feet, and could turn the pipe so the nozzles faced in any direction. Each nozzle was supposed to flood an upper floor of a skyscraper, and the standpipe tried this week would throw water into the eleven upper floors of a seventeen story building. With water forced into the pipe from the new fireboat, the Charles W. Lawrence, at 150 pounds pressure, a stream shot out of the top nozzle, 168 feet above the ground, with force enough to go 175 feet. The inventor said his pipe if run up permanently outside a skyscraper could be operated by the janitor.

Argument on a demurrer filed in the suit of Edmund A. Whittier against the **Washington Life** of New York to recover $20,000 **damages for breach of contract** was heard Monday by Judge Joseph Cross in the United States Circuit Court at Trenton. Decision was reserved. Whittier was a manager for the company, having as his territory New Jersey, Greater New York and Philadelphia. During the recent financial panic differences arose between Whittier and the company, which resulted in his suit. He contended that such policies as enforcement of lapsing clauses, withdrawal of money from New Jersey banks, management by Ryan, Whitney and Morton of the company's affairs and a certain circular of the company giving notice that under the laws of New York shares of surplus must be discontinued, brought the company into great disrepute and so decreased business that he was unable to earn money as its agent.

After hearing the report of John B. Kenney, an insurance engineer employed by the city of **Charleston, S. C.**, to figure out the improved conditions of the **fire hazard** of that city, the city council on Tuesday night passed a resolution setting forth that no insurance company which fails to put into effect the reduced rates which the city officials think the increase in fire protection warrants, shall be licensed in that city. Mr. Kenney's report showed that the key rate of the city had been reduced from 44 points to 30 points. Having made the changes demanded by the insurance companies the city of Charleston wants a reduction in rates as follows: On brick dwellings, 15 per cent.; on churches, schools, public buildings and frame dwellings, 20 per cent.; on mercantile properties, 25 per cent. on the buildings and 20 per cent. on contents; on special hazards, 15 per cent.

A conference of the former agents of the life insurance companies that withdrew from Wisconsin, together with the agents of companies still remaining in the State, will be held in the near future to decide upon the proposed **changes** to the **Wisconsin insurance laws** which will be asked at the coming session of the Legislature. The three great modifications which the outside companies will ask are: The substitution practically of the Armstrong law for the present Wisconsin expense law; the repeal of the law compelling companies to declare the ownership of their surplus, and a modification of the law preventing companies from selling both participating and non-participating policies in Wisconsin, so that both can be sold if reports are kept separately of the profits of each kind of business.

Opposition to the proposal to **limit** the **height of skyscrapers** in New York city was voiced Saturday last by the Municipal Art Society, which sent a communication to the Board of Aldermen. Instead of favoring a limit to the height of skyscrapers the society puts itself on record as desiring practically any height, and says that the rapidly growing population admits of no alternative. The statement reads:

Tall buildings, taller buildings, the tallest buildings that are at once practicable and tolerable are the most obvious recourse. Our aim, therefore, must be to encourage them and work out the conditions under which they may be built highest with the least curtailment of other essentials—safety, air, light and access. Thus viewing the problem, it is a relief to find that, instead of destroying, these tall buildings are helping us obtain them. As to safety, engineers and builders have so met the situation that, whether as a fire or earthquake risk, our tallest buildings are best insured by their structure and risks therein most cheaply assumed by insurance companies.

In a letter on Monday to W. N. Amory, of New York, Governor Hughes acknowledged the receipt of a copy of the minutes of the New York grand jury, in which it is shown that District Attorney Jerome persuaded the grand jury to withdraw an indictment presented against **Richard A. McCurdy,** former president of the Mutual Life, in connection with the disclosures of the Armstrong Legislative Insurance Committee. Mr. Amory, in his statement, says that he presents the matter with no intention of prosecuting it. Governor Hughes, in a letter through Secretary R. H. Fuller to Mr. Amory, says he now has under advisement the report of Commissioner Hand, who took testimony on the charges filed against Mr. Jerome, and will give "the statement of charges that you submit proper consideration in due course."

Three heavy losses on **bonded whiskey** in **Kentucky** within a few months have brought a flood of **cancellations** on the class. Some time ago the rates on bonded whiskey were cut in two, as there had been no loss on the class for a number of years, but this was followed almost immediately by a million dollar loss at Peoria, with others in Pennsylvania and Iowa, and now by three in Kentucky alone. The present rates are regarded as wholly inadequate, especially as most of the Kentucky bonded warehouses are in small towns without fire protection. A number of companies have cancelled all whiskey business, others are declining any new business, while many are carefully revising their lines.

At a meeting on Tuesday of the **Boston Board of Fire Underwriters,** Treasurer A. L. Lewis and James Davis, chief clerk, were appointed assistant secretaries. A conference was held in the board rooms between committees representing companies, the Boston Board, the New England Fire Insurance Exchange and the Boston Suburban Underwriters' Association, to attempt to establish a working agreement between the three organizations relative to uniformity in the payment of commissions and the appointment of agents. After a session of several hours the general plan submitted to the company officials was referred back for amendment upon the lines suggested by them.

Announcement has been made that the **New England Fire** of Providence has **reinsured** its business in the Michigan Mil-

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lers Mutual of that city. The New England will stop writing for the present, but hopes to resume business after a reorganization of its affairs. President J. F. Sunderland has retired from all connection with the company and has disposed of his stock holdings. The Central Trust Company of Providence, of which Mr. Sunderland was president, failed recently, and as it was the depositary of the New England Fire, and also of the Roger Williams Fire of that city, its failure precipitated matters. The New England this week withdrew from New York State.

A meeting has been called for December 17, at which time the policyholders of the **Mutual Savings Life** of New York will have a chance to approve or reject the provisional contract of **reinsurance** entered into with the Liberty Life of New York. The Liberty Life will pay $5,500 for the good will of the business and will carry out the contracts of the Mutual Savings except in respect to participation in the surplus. The report of the New York Insurance Department on its examination of the company is expected daily. The department will have to ratify the reinsurance deal before it can be effected.

The State of **Louisiana** has adopted by popular vote the constitutional amendment **excepting from taxation loans** made by life insurance companies to their policyholders and loans upon real estate mortgages. The imposition of these taxes as the result of a decision of the State Supreme Court had forced the leading life companies to cease making such loans in the State, as the rate of taxation, together with the regular insurance taxes, made it impossible for the companies to realize the rate on their investments required to carry out their contracts.

The **hearings** on the **Epperson boycott case** at Nashville, postponed until after the election, have been further delayed by the murder of ex-Senator Carmack. The Insurance Department has sent to local agents questions relating to any correspondence between them and their companies on the Epperson matter, with instructions to answer them under oath. It is understood that the agents will refuse to answer, under advice of counsel, and that the commissioner has under consideration the revocation of their licenses in consequence.

That an **assured** is **bound to** try and **stop a fire** on his premises is the gist of a recent decision rendered by Justice Guerin at Montreal, Canada, in dismissing the suit of Aurel Parent, merchant tailor, of St. Eustache, against La Providence Assurance Company. The plaintiff's premises took fire on January 29, 1907, and he had $1,000 insurance effected the previous November. When he was advised that the premises were on fire the plaintiff walked out and refused to make any attempt to save any of the property.

The **Lumber insurance company** of New York and Adirondack Fire insurance company have **discontinued** their present **general agency** arrangements in New York State and Pennsylvania, to take effect December 1, and thereafter their general business will be transacted through the medium of the Hudson Underwriters' policy, the joint contract of the two companies. It is the intention of the management to operate on a strictly board basis.

At the **annual meeting** of the **Kentucky Board of Fire Underwriters** the managerial committee advised against the proposition that in the reorganization following the abandonment of rate control the representatives of all classes of companies should be included. The committee favored an organization along distinctly co-operative lines, with authority to co-operate with a non-Union organization if one should be formed.

The agency of LeBarbe, Moule & Childs at Asheville, N. C., representing a number of non-Union companies, has notified them that it will **no longer be bound by the 15 per cent. commission agreement.** It claims that the South Eastern Underwriters' Association has been unable to grant relief to the agents asking increased compensation, and that it will take the question up direct with its companies.

At the regular monthly meeting of the **Life Underwriters' Association of New York,** held in the board room of the Washington Life Building on Tuesday, a vote of thanks was tendered former President John Tatlock, of the company, for his courtesy in permitting the association to use the rooms of the company. A committee of fifty was appointed to increase the membership of the association.

The **Insurance Company of North America** has reduced its rates for marine insurance on cotton by 20 per cent. It characterized this step as a self defensive measure to protect its business, which was the steady development of thirty years' cultivation. It transacts about 50 per cent. of the entire cotton business in New England, the Atlantic Mutual controlling about 40 per cent.

The following officers have been elected by the **Northern Life** of Illinois under the reorganization effected by the Rock Island interests, which have obtained control: Hope Thompson, of Rock Island, president; H. A. Ainsworth, of Moline, and Paul Kirsch, of Rock Island, vice presidents; Stewart Goodrell, secretary and manager, and C. W. Lundahl, treasurer.

The **North Dakota Insurance Department** reported cash **receipts** during the first ten months of 1908 of $107,220, a gain of $8,841 over last year. The department has notified the public that the Winona Fire, which is writing grain risks in the State, has not complied with the law and is not authorized to operate in the State.

There should be added two others to the list of **insurance department changes** published last week. In Delaware Charles H. Maull was elected commissioner, succeeding Dr. Marshall, the present incumbent, while in West Virginia Auditor and Insurance Commissioner Scherr will be succeeded by John S. Darst on March 4.

The new **agency of Merryman & Robeck** has been **organized** at Marinette, Wis., to take over the business of the Fred Baker agency, which represented twenty-six non-Union companies. Mr. Baker left town suddenly and the affairs of his agency were closed up by the special agents represented.

The **Inter-Southern Life** of Louisville has decided to **reduce** its **capital** from $250,000 to $100,000, which will give it a working surplus of about $10,000. This is the company which originally proposed to take over the Provident Savings Life, but whose move was blocked by the New York Insurance Department.

The **Seminole Securities Company** of Columbia, S. C., has secured control of the Southern Life of Fayetteville, the Union Life and Trust of Muskogee, Okla., and the Keystone Life insurance company of New Orleans. It is proposed to

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consolidate a number of other companies into one big company.

The **Buffalo German** and the Buffalo Commercial have **purchased** an issue of $200,000 **school bonds** over twenty-one other competitors. The bid of the insurance companies was submitted by John G. Wickser, president of the former company. He offered 102.81, which was .41 higher than the next bid.

The **New York Insurance Department** will send to all the companies during the first week in January a pamphlet containing the December 31 valuations of stocks and bonds, to be used in compiling the annual statements, so that all may have an authoritative and uniform valuation.

A **fire insurance company** is being **organized at Indianapolis** with W. H. Latta, attorney for the Indianapolis Street Railway Company, as president. It proposes a capital of $400,000, sold at a 25 per cent. premium, and hopes to place the stock among insurance agents.

The directors of the **Western Reserve insurance company** have adopted unanimously a resolution recommending that the stockholders increase the capital to $300,000. The new stock, of which a considerable portion has already been subscribed, will be sold at $180.

A test has been made of the new **waterworks system** at **New Orleans,** showing a pressure of from 75 to 80 pounds without the use of fire engines, with six lines of hose in action. The fire department appropriation for 1909 is increased $69,393 over this year's.

The **will of Lewis H. Davis,** the well known Chicago insurance man who died November 4, disposes of an estate valued at $265,000. The bulk of this goes to Daniel J. Schuyler, a prominent insurance lawyer, who was Mr. Davis' nephew.

The Iowa Life Underwriters' Association at its November meeting adopted resolutions severely **condemning** the action of the **National Association of Life Underwriters** in amending the constitution as regards dues and membership.

The failure of the First National Bank of Fort Scott, Kan., following a run, will probably have considerable effect upon the **Central Life** of Fort Scott, of which Grant Hornaday, president of the bank, was also president.

The **Jamaica earthquake claimants** have agreed to accept 85 per cent. of their claims in compromise with the British insurance companies. The litigation arising from the fire and the earthquake will now end.

It is reported that the West Virginia Insurance Department has **revoked** the **license** in that State of the **Pittsburgh Life and Trust** because of the refusal of the company to have itself examined.

A ruling by the **Illinois Insurance Department** compels all mutual fire insurance companies organizing in that State to make provision for a **contingent liability** on the part of its members.

The thirty-third annual meeting of the **Fire Underwriters' Association of the Pacific** will be held in San Francisco January 5 and 6, instead of January 12 and 13, as heretofore planned.

The **plant** of the **Indianola Compress Company** at Indianola, Miss., was **burned** with a property loss of $300,000 and partial insurance, largely in the Cotton Insurance Association.

The **Commercial Union** of London has purchased the Sovereign Bank Building at Montreal, paying between $325,000 and $350,000, and will hold the second floor for its own use.

The **Southern States Fire** of Atlanta is being **organized** to operate on the co-operative plan, with H. Jordan, president of the Southern Cotton Association, as president.

The Union of Philadelphia has **reinsured** the risks of the **Northwestern Fire and Marine** which are located in the metropolitan district of New York.

The **Fraternal Tribunes** and the American Home Circle of Rock Island, Ill., have **combined** under the name of the former.

The **Sovereign Fire** of Toronto will open a Western department in Chicago the first of next year.

The **Scandia Life** of Chicago has been **licensed** in North Dakota.

The **Columbian National Life** of Boston has entered Alabama.

Personal.

AGENCY APPOINTMENTS.

Farmers of York, Pa.: W. L. Perrin agency, Brooklyn representatives.

Girard Fire and Marine: Elmer A. Lord & Co., Boston agents, succeeding Rothery, Emery & Co.

New Jersey Plate Glass: H. R. Sommer, Brooklyn branch manager.

Teutonia of New Orleans: Malby & Dixon, Brooklyn agents.

Union of Philadelphia and State of Pennsylvania: Burgard & Stout, of Seattle and Portland, State agents for Washington.

Union of Philadelphia: Montgomery & Funkhouser, of Chicago, general agents for Illinois, Indiana, Minnesota, Wisconsin, Missouri, Iowa and Northern Michigan, beginning December 1.

Mr. Henry A. Fiske, manager of the special risk department of the Phœnix of Hartford, is to associate himself with Henry W. Brown & Co. at their New York office, on or about January 1 next. Mr. Fiske is a graduate of the Massachusetts Institute of Technology, and has held the position of manager of the Underwriters' Bureau of New England. He later joined the Phœnix of Hartford, where he has been successfully operating for them along special lines for the past five years. Mr. Fiske has been prominent in the affairs of the National Fire Protection Association, and as editor has been responsible for the development of the quarterly bulletin on special hazards and fire records.

Mr. James C. Wilson, former president of the Interstate Fiscal Agency Company of Kansas City, which had a general agency contract with the Kansas City Life, has pleaded guilty in the United States District Court on a charge of fraudulent use of the mails in promising excessive profits in the sale of stock in his company. He was sentenced to pay a $500 fine.

Mr. Harold M. Hess, of Chicago, delivered a lecture on the Dean schedule before the Fire Insurance Club of Chicago on Tuesday last under the title "The Philosophy of the System." This was the first of a series arranged for by the club on the general subject of the analytic system of rating.

Mr. George J. Porter has been appointed special agent of the City of New York Fire for the middle department territory, including the entire State of New York. Mr. Porter will act in this capacity in addition to continuing his present field position with the New York Plate Glass.

Mr. C. P. Maltby, the manager of the Bennett & Myers insurance agency at Denver, Col., is the latest aspirant to the office of Colorado Insurance Commissioner. Mr. Maltby is a man of wide experience, and served under David Howe when Howe was the Insurance Commissioner.

Capt. M. J. Hubble, a veteran local agent at Springfield, Mo., and the father of three sons well known in the insurance business, gave a luncheon recently to all his customers who have carried policies continuously in his agency for twenty years and over.

Mr. W. E. A. Wheeler, vice president and general manager of the Scranton Life, has resigned for the purpose of organizing the Standard Life insurance company of Scranton, which will have a capital of $100,000 and a surplus of probably the same amount.

Messrs. W. W. Dennison & Son, local agents at Columbus, Ind., are offering with every policy of $200 or over a chance in a drawing on Christmas Eve for $100 in prizes. The other local agents claim that this violates the board rules against rebating.

Mr. Julius E. Roehr, who has been for twelve years the chairman of the committee on insurance of the Wisconsin Senate, was seriously in-

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jured this week while hunting deer in northern Wisconsin, as a result of a stray shot.

Mr. Samuel S. Perry, for many years identified with the home office of the American Surety of New York, has been engaged as manager of the banking and officials' department of the Massachusetts Bonding of Boston.

Mr. C. B. Gilbert, formerly vice president of the Calumet, has decided to re-enter the insurance business, and has taken an office with the Re Qua agency of Chicago, expecting to establish a local agency by January 1.

Mr. H. B. Long has succeeded James Polk, Jr., as electrical inspector for the Tennessee inspection bureau. Mr. Long comes from the Knoxville branch of the bureau. Mr. Polk will engage in the automobile business.

Mr. Philip Lunt Small, formerly comptroller of the Fidelity and Deposit of Baltimore, has resigned to accept the position of actuary of the National Surety of New York, and will enter upon his new duties at once.

Mr. Charles Strakosch, an insurance agent, aged fifty-two years, who lived in Brooklyn, was found dead at his home from gas asphyxiation shortly after midnight Sunday, having committed suicide by inhaling gas.

Mr. H. R. Vermilye, comptroller of the Washington Life, has resigned his position, to take effect on January 1 next. He will open a general office for the transaction of insurance business in all its branches.

Mr. Edward V. Horgan was elected vice president of the Life Underwriters' Association of Buffalo at the meeting and banquet on Monday last, to succeed Edgar C. Fowler, who has gone to Boston.

Mr. A. M. Cole, a leading local agent at Alliance, Ohio, has been appointed Ohio State agent for the Commercial Union, succeeding Mr. P. B. Martin, who retires because of ill health.

Mr. R. C. Maginity, of St. Louis, has been named general agent for Missouri of the Phœnix Preferred Accident of Detroit, which has just been licensed to do business in Missouri.

Mr. George Dyre Eldridge, the consulting actuary, announces that he has changed his office address to Room 2429, Park Row Building, New York city.

Mr. David R. Rowland, formerly manager of the Prudential at St. Louis, becomes agency director of the Bankers' Reserve Life of Omaha for Arkansas.

Mr. E. H. Freaker has been appointed foreign superintendent of the fire department of the North British and Mercantile of London.

Mr. William H. Hayes, head of the agency of Hayes & Cleveland, at Rock Island, Ill., died last week at the age of ninety-five.

Casualty and Surety Insurance.

Unusual accidents of the week are as follows: A high wind blew a man from the platform of the "L" and he was ground to death under an approaching train.

An infected needle by which a hypodermic injection was administered to a man caused a bad case of blood poisoning.

Knocked down and bruised in a football rush, a nineteen year old youth was injured in the kidneys and died in agony.

The sight of a mouse in a cat's mouth caused the death of a young woman who had a weak heart.

When struck by a trolley car, a hairpin in a woman's head pierced her skull and death will likely ensue.

A farmer who was loading potatoes along the railroad track was jerked off his wagon by the mail catcher of a passing train and sustained serious injuries.

An iron bolt weighing two pounds fell from a driving shaft and struck a man in the head, penetrating his brain.

In trying to save his old coat from being run over by a train, a railroad laborer was struck and killed.

An employee of a storage warehouse fell down the elevator shaft where he was working and was killed.

While working on some electric light power wires, a man's head came in contact with the current and he was killed.

While gunning with a companion, an Italian accidentally discharged his weapon full of bird shot in his companion's face.

Because a captain in the navy refused to give the password when challenged by the marine on duty at the navy yard where he was stationed, he was struck on the head and badly hurt.

A hunter's foot slipped on a rock when he was following a wounded moose and the gun being discharged the bullet struck a guide in the leg.

The bite of a spider inflicted while he was busy in a storage warehouse caused the death of the manager of the place.

A young doctor's instrument slipped while he was operating and inflicted a wound on his arm which became infected and may cause the loss of the limb.

While saying good night to some friends who had escorted her home, a New York woman stepped backward into an unprotected areaway and the 10 foot fall injured her severely.

A woman was badly burned by reason of the stove polish which she was using exploding in her hands.

Several tons of steel castings which were being loaded on a car at a steel plant slipped from their place and crushed a man to death.

In trying to protect a crowd from coming in contact with a live wire, a New York policeman touched the wire and was electrocuted.

An eighteen months old baby fell into a well which its father had dug and was rescued with difficulty.

A two year old New Jersey girl set her dress afire by playing with matches and was burned to death.

An employee of a plaster company fell into an elevator pit at the works and his arms were burned by scalding oil.

A hatchet fell from the hands of a carpenter who was working on a roof and a man standing underneath had his nose completely severed by the sharp blade.

While repairing the roof of his home, a man was stricken with paralysis and his fall from the roof will be fatal.

While tackling a "dummy" in preparation for a football game a player sustained injuries which caused his death.

A woman was fatally burned in attempting to fill the tank of a gasoline stove which was burning.

A farmer fell from a trolley bridge while he was driving home asleep in his wagon and was fatally injured.

A landslide of gravel struck a teamster in the back, breaking every bone in his body.

While handing breakfast to her husband, a freight brakeman, as his train passed through a station on the Long Island Railroad, a woman was struck by a fast express and killed.

Lightning struck a Boston fishing schooner on the masthead and, besides damaging the vessel, knocked senseless twenty of the crew.

A Philadelphia engineer successfully dodged the dangers of the engine room to fracture his skull by slipping on a banana peel.

A spectator at a football game was struck in the mouth by the ball and the blow dislodged both his real and his false teeth.

The dense fog caused the death of a delivery boy who in attempting to walk from the roof of one apartment house to another missed his footing and fell between the buildings.

The South Carolina Insurance Commissioner, F. H. McMaster, has dismissed a rule to show cause why the **license** of the **American Surety** of New York should not be revoked on the ground that the company had cancelled the bond of one C. D. Miller, a dismissed employee of the Southern Railway. The commissioner announces that he finds that the company was fully justified in declining to continue as Miller's bondsman. A hearing was held at Columbia, S. C., on Monday last. Miller alleged that the surety company threatened to cancel the bond he held in that company as an employee of the Southern Railway because of certain testimony he gave in a suit brought against the surety company by the Columbia, Newberry & Laurens Railway, by which railroad Miller was formerly employed. In reply to this allegation, the surety company made a general attack on the character of Miller and the testimony brought out was sensational. Recess was taken in order to permit Miller to reply to this testimony. Attorney General Lyon, by request of Commissioner McMaster, was present throughout the hearing. The testimony produced by the surety company went back to 1891, and showed that Miller had not lived a particularly exemplary life. Among other things it was alleged that Miller had altered his pass as a railway mail clerk at one time. The American Surety claimed that the bond in question had never been actually

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given and was held up on report of the surety company's representative, Bradbury Williams. The bond was for $2,500, issued to C. D. Miller, as agent of the Southern Railway at Fort Mill, and dated February 1, 1908.

Preliminary arrangements for the organization of the **Casualty Insurance Social Club** of New York were made at a meeting of casualty men on Friday last at the office of the United States Casualty. President Lott, of that company, acted as president, and Chauncey S. Miller, secretary of the Casualty Company of America, was secretary pro tem. The objects of the club will be to develop the social features of the casualty underwriting business by bringing the men engaged in this class together more frequently for the interchange of views untrammeled by restrictions or prejudices, thereby promoting business harmony. Committees were appointed as follows:

Committee on Organization—Edmund Dwight, Employers' Liability; W. C. Conroy, United States Fidelity and Guaranty; Edwin W. DeLeon, Casualty Company of America; Major A. White, New York Plate Glass; William J. Gardner, Ætna Life.

Committee on Nominations—William F. Moore, New Amsterdam Casualty; Charles I. Brooks, Ætna Indemnity; E. F. Holmes, Travelers; W. J. Johnson, Fidelity and Casualty; D. G. Luckett, United States Casualty; James F. Peavey, Ocean Accident; Frederick J. Walters, London Guarantee and Accident.

Committee on Banquet—David W. Armstrong, Jr., National Surety; C. E. W. Chambers, Lloyds Plate Glass; J. G. Cloud, American Fidelity; Edward L. Hearn, Casualty Company of America; Edmund Dwight, Employers' Liability; William J. Gardner, Ætna Life; R. T. Jarvis, United States Health and Accident; F. R. Jones, Fidelity and Casualty; Edson S. Lott, United States Casualty; Ballard McCall, Massachusetts Bonding; William F. Moore, New Amsterdam Casualty; William C. Mulvey, Maryland Casualty; T. B. M. Terhune, Philadelphia Casualty; C. A. Timewell, Standard Accident; H. A. Webster, Preferred Accident.

The banquet committee met this week and decided to call a meeting for organization and the acceptance of a constitution and bylaws at 6:30 p. m. on December 12 at the Hotel Astor. A banquet will follow the business meeting.

A meeting of the **executive committee** of the **International Association of Accident Underwriters** was held on Friday last at the office of the United States Casualty in New York city, at which steps were taken to plan an organized fight against the excessive taxation of casualty companies. A statement setting forth the position of the companies will be sent to every policyholder. It is the taxation memorandum drawn up by the executive committee of the Board of Casualty and Surety Underwriters and which the board recommended its members to attach to all policies issued by their respective companies. The memorandum referred to was published in a previous issue of this paper. Those of the executive committee present at the meeting Friday stated in just what manner they intended to circulate the leaflet, which mainly consisted of enclosing it in every policy or renewal notice issued, besides sending it to all agents and branch offices for dissemination. The chairman of the executive committee was instructed by resolution to notify all the members of the International Association of the action taken and also to notify the Association of Life Insurance Presidents, the Board of Casualty and Surety Underwriters, the Detroit Conference, the Surety Underwriters' Association of America, and other kindred organizations, with a view to influencing similar action.

A circular has been sent out by Judge C. C. Lemert, Insurance Superintendent of Ohio, as chairman of the committee on laws and legislation of the National Convention of Insurance Commissioners, which was instructed at the Detroit convention to consider the advisability of presenting for legislative enactment **standard provisions** and prohibitions for **accident** and health **policies.** The committee is to report at the next convention, and was authorized to prepare forms, if in its judgment it is necessary to do so. The circular is addressed to the casualty companies to obtain their views on possible changes, and advises that a discussion of the subject will be had at a meeting of the committee at the Auditorium Annex Hotel in Chicago on December 9 at 10 o'clock. Similar requests for information have been sent to the fire insurance companies. The casualty companies are asked to answer the following queries:

1. What demand exists in your State for standard provisions and prohibitions for health and accident policies?
2. In your opinion is it advisable to attempt to establish such standard provisions and prohibitions, and if so give six standard provisions and six standard prohibitions that you regard as important.

I would be pleased to have you state fully any other facts in connection with this matter that you would regard as important.

Insuring a man **against** the **loss of his job** is a ramification of the insurance idea which Commissioner Barry has discovered flourishing in Michigan. A railroad conductor recently made application to the department for permission to organize an association insuring a man against the loss of his position for any cause except garnishee of salary or habitual intoxication. The commissioner found that there was nothing in the Michigan law authorizing this kind of insurance to be written. He also discovered that one William J. Ross had been operating a concern of this kind for some time, having a membership of 3,000. A $5 membership fee was charged and a monthly premium of $1, and this secured the payment of $500 should the holder of the policy lose his job. In lieu of the law on the subject, the commissioner decided that he would let the concern already in operation continue its contracts pending the authorization of this kind of insurance by the Legislature. He decided, however, not to permit the new company to start business till the rights of the case are decided by a definite law for or against the proposition.

The Hartford *Times* has interviewed an underwriter who thinks he sees a change coming in the **method of insuring automobiles.** The following is what he says in regard to the matter:

That a radical change in the method of insuring automobiles will take place within the next few years is the prediction of an official of an insurance company that writes a great many automobile policies. The policies written by this company are of three kinds. The first is an old style policy similar in its nature to that covering household goods, and contains a rider to the effect that the insurance does not cover any loss by fire originating within the vehicle. The second covers loss from fire from any cause, and loss or damage while the car is being transported by any common carrier. The third secures the owner against loss by fire, accident or theft. At present all companies make a flat rate for automobiles, no matter what the make, the only exception being that there are some makes of cars that no company will insure under any circumstances, and others that few of the companies do not care to take on as risks. It is possible from present indications that in the future different rates will be made for different makes of cars.

The Ætna Accident and Liability has issued a set of instructions and **cautions** applicable **to employees in factories** and workshops for the prevention of accidents, which are printed in twenty-one different languages. The idea is a good one, and the set of instructions deserves a wide circulation. It is true that many of the employees of a modern manufacturing plant do not understand English, at least well enough to read the regulations displayed here and there regarding dangerous machinery. Often, too, it is considerable trouble to have them translated to meet the situation. The cautions apply to riding on the elevators, cleaning machinery while it is in motion, touching machinery which they have not been ordered to work upon, being in a part of the works where their business does not call them, fooling about the plant, and wearing flowing sleeves or garments in the works. Women

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are cautioned against wearing their hair in loose braids and against the use of neckties or aprons, with long ends or strings, or dresses which trail upon the floor.

The recent conference of **surety** executives in Philadelphia resulted in a number of changes in **rates** being promulgated for the various classes of bonds. It was decided to permit administrators' and executors' bonds filed in St. Louis, written for an annual premium, to run for twenty-seven months for a two years' premium, the second year's premium to be subject to 20 per cent. discount. The present rates for court bonds for litigants remain the same as before, except where the special committee may consider a slight increase necessary.

The **hotel detectives** of New York city are preparing to organize an **association** to protect their respective hostelries against sneak thieves and other robbers who have been committing numerous depredations in the hotels about the city. The hotel detectives have heretofore worked independently, but believe now that much may be accomplished along co-operative lines. It is planned to meet at regular intervals and to compare data and experiences. In this way professional "deadbeats" may be spotted early and their operations curtailed.

The report of the secretary of the Public Service Commission for **New York city** for the month of October shows that there were 4,668 **car accidents,** as against 4,866 a year ago. In each of the two years named 47 persons were killed during the month of October. The list of killed, injured and maimed for October this year was as follows: Killed, 47; fractured skulls, 15; amputated limbs, 10; broken limbs, 36; other serious injuries, 60, making a total of 168 for the month.

The Illinois Supreme Court has affirmed the decision of the Municipal Court of Chicago that the **Metropolitan Surety** of New York must pay the town of Cicero $61,618.76 in bonds, issued to former officials of the town. The case arose through the failure of the Lincoln Bank of Chicago, which had funds of the town on deposit amounting to about $55,000.

A charter has been secured by the **Union Casualty** of Philadelphia, which has an authorized capital of $500,000. Of this amount $100,000 has been already raised. The officers of the company are: Gustave Schmael, president; Roger Byrnes, vice president; Ross D. Greiner, treasurer, and Albert Morgan, secretary.

The **Empire State Surety of New York** has adopted a new form of contract with brokers which is very favorable to all parties and amply protects the interest of the broker, while at the same time clearly defining the position of the company. It covers all classes of business transacted by the company.

A **new member** was added to the **Burglary Insurance Underwriters' Association** at the special meeting held on Friday last, viz., the London Guarantee and Accident. The compilations of burglary statistics prepared by the committee appointed for that purpose aroused considerable interest.

The plan for the **rehabilitation** of the **Philadelphia Casualty** is progressing satisfactorily, it is understood, and thus far the holders of 96 per cent. of the stock have assented to a 50 per cent. assessment. It is expected in this way to raise funds to make good the depleted surplus.

Insurance Legislation.

Complete copies of all important bills in the legislatures affecting insurance are on file in the office of THE WEEKLY UNDERWRITER.

Vermont.

The joint insurance committee of the Legislature is made up of the following: Senate—Vance of Essex, Corry of Washington, Scott of Rutland. House—Martin of Brookline, Lyford of Warren, Kingsley of Rutland, Stannard of West Haven, and Lewis of Troy.

Miscellany.

Mutual Savings Life Insurance Society—Statement by William A. Fricke.

(Continued from last week.)

MUTUAL RESERVE "CONTRACT RESRERVE" BUSINESS.

Four days after the alleged claims had been filed under the "syndicate" agreement—April 29, 1908—at the meeting of the board, three directors being present, Miles M. Dawson offered the following resolution, which was adopted:

"That the president and secretary are authorized to make such proposal as they may deem proper for the transfer of the business of the Mutual Reserve Life insurance company in whole or in part."

The agreement entered into by the receivers with another company, upon the objection of the Attorney General, was not approved of by the court, because of the company's not being authorized to transact business in New York. Dawson, taking this agreement as the form, drafted a proposal on behalf of the Mutual Savings Life and submitted it to the receivers of the Mutual Reserve, by whom he was employed as consulting actuary. This reinsurance proposal I was familiar with and gave approval to, though I doubted, coming as it did from so small a society, whether it would receive consideration. Shortly thereafter I was informed by Dawson that the receivers desired the proposal drafted in a different form, and I then informed Dawson that if this business could be secured in the right way with the interests of the members properly safeguarded I should be in favor of it, otherwise not. Dawson drafted another proposal, which he submitted with a statement and information concerning the society, as called for by the receivers, and upon his request I called upon one of the receivers. I informed the receivers frankly that the society had no other inducement to offer than an opportunity for the members of the Mutual Reserve as a separate class and with a proper readjustment of rates to continue their insurance; but that it would be a waste of time to enter into any discussion of the details of an agreement while negotiations were pending with other companies. As such negotiations were then pending no further discussion was had, and so far as I was concerned the matter ended.

At a meeting of the board of directors—June 3, 1908—Dawson as chairman presented for the approval of the board an agreement which he, as consulting actuary for the receivers, had drafted, to accept and insure the "contract reserve" members of the Mutual Reserve. Dawson's reading of this agreement for the information of the board was the first knowledge I had that such a proposal had been submitted or of its provisions. Upon my raising question and objection to its provision the board adjourned until the next day, to enable me to consider the agreement, with the request that I confer with the receivers. After the meeting I asked Dawson this question: "Would you if you were in my position be ready to assume the responsibilities of that agreement?" His reply was: "That is not a fair question to ask me."

That evening I called upon the receiver, who informed me that the agreement had been formulated by Dawson and was satisfactory to them, and that so far as its insurance provisions were concerned no changes could be made. The next day, much to the chagrin of Dawson, I reported to the directors that it was inadvisable to accept the agreement and that I declined to assume the responsibilities it would impose.

To evade the requirement of the approval of the Superintendent of Insurance, this was not a reinsurance agreement, but a propositon to accept under certain policy lien requirements and

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at the premium rates paid the Mutual Reserve, any or all of the "contract reserve" members who should apply. There was to be issued to them a new policy without medical examination, not exceeding $5,000 on any one risk, provided, however, that in order to remove the lien requirement any such member could be examined at the expense of the society, and if satisfactory a new policy without such lien would be issued. The society also was to pay all the expense of notices and blanks to these members, allow the receivers to nominate two directors of the society and pay to the receivers 5 per cent. upon the premiums received until the amount paid equaled $2 per $1,000 of insurance issued. The agreement also provided that the society would, as requested, wherever fifty of such "contract reserve" members resided in a State, elect one such member as trustee. When the attention of the receiver was called to the provision that the members in each State were privileged to elect their own member on the board of trustees by a direct vote either in person or by mail, and that such a provision could not be accepted, as it would disfranchise our own members, he informed me that this was a suggestion of Dawson's, and that they thought that "if the society was willing to do this all right, if not, it could be eliminated."

Without entering further into the details of this agreement I shall dwell only upon the effect its acceptance would have had upon the society. These "contract reserve" policies were issued between the first day of July, 1898, and April 17, 1902, and there was said to have been $4,000,000 of these insurances in force on February 15, 1908, when the Mutual Reserve went into the hands of the receivers. The mortality experience on this business was said to have been 177 per cent. There was no requirement that a certain percentage of these policyholders must accept its conditions, but the society would have been compelled to accept all those who did apply. It is not necessary to enter more into the details of this agreement, as its effects only on the society are of interest.

This class of policies had been culled over time and time again by the Mutual Reserve management in their efforts to transfer and readjust. Under this agreement, drafted by the consulting actuary to the receivers and submitted by Chairman Dawson, the Mutual Savings Life would unquestionably have received the applications of all the unfortunates on their way to the graveyard. No doubt all those who could not pass muster for another company could also have been persuaded, and there was more than a probability of securing those who had serious doubts of their ability to pass a medical examination elsewhere. However, the contingency was very remote of receiving any appreciable number of those, if there were such, who knew they were good risks and could get insurance anywhere should they need it.

Under such conditions the acceptance of this agreement would have been an equally foolhardy venture for a company financially strong, even if the members applying were placed in a class by themselves, for to these policyholders at least there could have resulted only a repetition of the Mutual Reserve experience, with trimmings. Aside from this, the machiavellian character of this agreement becomes apparent when considered in connection with the "syndicate" agreement under which the expense margin under all new policies written—less commission payments—was required to be paid into the "special fund" for the payment of the alleged claims for advances to promote the growth of the society. Had this agreement, therefore, been accepted, the expense margin on the business received—less the commission of $2 per thousand to the receivers—would have been required to have been turned over to this "special fund," while the society would have been compelled to meet the large expense incident to this transfer and the handling of this business out of the meagre expense provision realized from the small amount of its own business. If "Old Mortality" deferred for a time the wrecking of the society it would have staggered to destruction under this requirement, although it offered a chance for the more prompt realization of the hopes that the alleged claims for advances would be paid. Only the oft reiterated protestations of disinterested unselfishness save one from the conviction that it was a well thought out plan to loot and wreck the society and place the responsibility upon the shoulders of its then president.

DEPOSIT OF INSURANCE FUND WITHOUT INTEREST.

The supposition among some actuaries at least is that "interest" is an essential factor in the computation of premiums. It would require, therefore, no great stretch of the imagination to picture the chief inquisitor of the Armstrong Committee having in the witness chair the chairman of the board of directors of a company who had absolute control of the handling and investment of its funds, and to imagine the possible questions as to fact and motive that he would ask the witness when it was shown that nearly one-fifth of the available assets of the company represented "cash in bank without interest," and had been so carried for a long period of time in a bank in which the chairman had his own private account, when interest on the company's balances could have been had for the asking.

That was the condition of the funds of the Mutual Savings Life all this year, although attention had been repeatedly called to the fact that with a balance of from $5,000 to $9,000 in the insurance fund account there should be either investment or an interest arrangement. To just such extent that there was failure to earn interest on these insurance premiums was the cost to the members increased, and no one but Dawson can satisfactorily explain why this was done.

UNDERAVERAGE RISKS.

That a society incorporated under the fraternal laws and with so small a membership should also have attempted the insurance of "underaverage risks" is hardly conceivable. The mere statement must provoke a smile, and yet that is exactly what was done. In a report to the board of directors, in which I called attention to the evil effect of Dawson's assumption of authority and domination, extending to every office and all the affairs of the society, I directed special attention to this experiment of accepting "underaverage risks," as follows:

"In an organization such as this we can permit of but one standard for determining whether an applicant is 'safely insurable,' and it is not within the province of this society to experiment with 'underaverage risks,' and in the future should be prohibited. These guessing contests on the part of the chairman and the medical director, while interesting, have already cost the organization more than the extra premiums will bring for many years on these rated-up members, and the extra hazard is not one our membership should be called upon to assume. We have too small an experience and too small a membership to attempt to equalize the hazard of a heart murmur, or a trace of albumen, as has been attempted in a number of cases, and when such a hazard as the thickening of the arteries of a man aged fifty-nine is sought to be equalized by rating him up one year with an extra premium of $4, the experiment would become amusing were it not for the fact that with the chances of the guess being all wrong the members who have no knowledge that such hazards are assumed, must pay the freight. The Markgraf case, with the attendant litigation, makes up another of these experiments, which with one standard for 'safely insurable' could be avoided.

"These rating-up experiments apply to 10 per cent. of the old 'Fellowship' policies still in force. Markgraf died of just what his application indicated would be most liable to cause his death. He was admitted April 1, 1907—age fifty-nine, rated up to sixty. He dropped dead August 11, 1907, and it is claimed that his policy for $2,000 lapsed August 1, 1907. The rating-up increased the monthly premium from $4.76 to $5.55, so that during his membership the excess premium paid was $3.16. If in an organization such as this there can be but one standard of 'safely insurable,' and all members are required to be placed on an equal basis without discrimination in rates, is there not some danger in the trial of this case that the excess premium of $3.16 paid was a credit to the policy, and carried the insurance beyond the date of death? I do not say that this would be the construction, but with the well known prejudice in such cases all experiments and departures from the proper sphere and limitations of a society of this character should be avoided as dangerous.

"The importance of this case to us, and its possible effect in determining liability under similar policies, raises more than a doubt at the wisdom of permitting the chairman, on his own motion, to assume the duties of attorney in this case. Our counsel is a practitioner of experience, and has given the society efficient service in the past, and though this usurpation of his functions may be of little moment to him, and while we may all appreciate the desire of the chairman to so act, having but recently been admitted to practice, still it is neither fair to our members nor to our counsel that all the duties of every office should be centred in one individual."

"UBIQUITOUSLY DAWSONESQUE."

It would become too tiresome to enlarge upon the many inconsistencies and peculiarities which marked the six years of control of this society. All these were called to the attention of the board of directors with that delicacy and regard necessary to penetrate and impress self satisfied greatness. There never was any question as to just what opinions I held on these matters, as is shown by the following quotation from my report to the board:

"I do not at all believe that there is a premeditated determination on the part of the chairman to highhandedly run things. I am rather of the opinion that on such matters he does not meditate at all, but simply takes it for granted that no one, so well as he, knows just what should be done. This has gradually gone on since the organization of the society, until, with the ad-

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vent of the present incumbent of the office of president, and with the prior general acceptance of every dictum, it seems like arbitrary and pernicious interference on the part of the new president to have any views of his own and not blindly accept the advice, opinion and judgment of the chairman as coming from an oracle from whose infallible decision there is no appeal. I am sure that the chairman does not realize what the effect of all this must have been on the organization, nor what a condition its continuance creates at present in hampering the growth of the society with its paralyzing influence."

I frankly admit that neither by training nor inclination was I qualified as president under existing conditions. With Dawson's great pretentions I had reason to assume a different state of affairs, and while there was every reason to anticipate a decrease in membership and insurance as a result of last year's agitation and efforts at reinsurance, the facts are that, notwithstanding the dissatisfaction and the confidence shaken by these reinsurance efforts, there would have been an increase but for the termination of $100,000 of insurance among Dawson's friends, most of his own and that of members of his family, the employees of his man Best and his friends. Even his employee who Best has placed in charge to advise members to continue premium payments lapsed his policy last March and is not now a member.

With the positive assurances that the society could be admitted into Wisconsin and Minnesota, and with the help there of Senator Roehr and the Hon. Elmer H. Dearth to supplement my personal work and solicitation in those States, I was convinced that the society could be given such an impetus that it would encourage the old membership and enable us to take up the work in New York and New Jersey under more favorable conditions. But deceived in these assurances, Senator Roehr and Mr. Dearth were prevented from giving any help, and my time was taken up in straightening out the chaotic conditions so as to be able to build up the society after the necessary changes had been made.

Because of this the board of directors agreed to an allowance for personal expenses—it would have been expecting too much to have me do all the work and pay all the expense it entailed on me for this privilege—which small allowance Dawson, with his usual show of liberality, agreed to furnish. But why lie about it in boasting of this liberality in anonymous communications! The $400 did not come out of Dawson's pocket. He had the use of it before it was turned over, and if he has forgotten I can furnish him with the information. He was never asked to make good this guarantee, and only when he resigned as chairman and director did he grandiloquently announce that "I shall not be willing to contribute further financially to the support of the Mutual Savings Life Insurance Society," and upon the copy of this communication which I have there was this indorsed at the time: "As the agreement made by him was not kept, this notice was unnecessary." The $400 so advanced was entered in the records of the society as a liability with a view of early repayment, but notwithstanding this, one-half of this amount again appears in Dawson's claim for advances, and for the other half he had syndicate certificates issued in his name, although the syndicate trustees neither knew of this advance nor received any part of it, while at least one of the actual contributors, according to last report, had received neither acknowledgment nor payment; the other contributor, now about to leave town, may have received payment. To expect Dawson to deal gently with the truth would be to deprive him of all bombast.

Another misstatement in the anonymous communication sent to the members is the assertion that during my incumbency the surplus of the society had decreased. According to the New York Insurance Department's report, the surplus of the society on December 31 last was $4,274.06. What is referred to in this society as surplus is the balance in the insurance fund after deducting the reserve, payments for claims and sums paid for reinsurances. The former assistant secretary informs me that after computing the reserve June 30, and deducting payments for claims and reinsurances, the surplus was $6,900. But as the insurance fund was wholly under the care and immediate supervision of Dawson's own board of directors, I would say that should the examiners of the Insurance Department at this time find a decrease in surplus, it would be due to charging as a liability the Markgraf contested claim, which arose before I was connected with the society; to disallowing lien notes in excess of the reserve—which were not included by my direction; by reason of the fact that there was paid a larger amount for death losses than in any year of the society, for which I hardly am chargeable; by not requiring the bank to pay interest on the insurance fund balances, to which omission I repeatedly called attention; to the payment by the board of disability benefits under the direction of the chairman, when the proofs of claim showed that the disability originated two years before the membership was effected, and which payments would have been continued but for the fact that I called attention to the importance of examining the proofs before voting away the funds of the society; and because of policy loan methods as a matter of favoritism, also objected to by me.

With this condition, and the deduction of book values over market value, excess of liens and loans over the reserve, the increase in reserve at the time of examination, and charging the Markgraf and other claims as a liability, it would not be difficult to "wipe out" the surplus entirely.

With a determination not to accept business unless it could be written on a proper basis, and with the fixed purpose that the influences which had made success in the past impossible should first be eliminated, the agents whom I had secured were not urged but were frankly informed just what the conditions were, and until there was brought about a radical change from previous mismanagement and fantastical methods I dreaded an increase more than I feared a decrease.

As a fitting finale came the communication of the Superintendent of Insurance, which informed me that the policy forms of the society had never been submitted to the department for approval; that in issuing them the society was exceeding its authority, and that some of the contracts issued were "ultra vires." As I had not recently been admitted to the bar, but had had some little experience as a supervising official, there was a further incentive to make haste slowly until the many matters in controversy should have been settled. To one of such great pretensions it must have seemed ridiculous to submit the policy forms drafted and approved by the founder of the society to a mere Superintendent of Insurance; but to one of smaller pretensions it was surprising, to say the least, that this requirement had been neglected for six years. Not even conceded greatness is entitled to such immunity!

I realized that the parting of the ways had been reached and that I could not longer continue my efforts even at a salary guaranteed by Dawson. After waiting four weeks for the board to receive instructions from the master mind sojourning in Norway as to what they should do about the report of audit—which instructions Best received but never made public—I notified the board and the members that I had resigned and vacated the office of president.

Since the "father of the president of the Chronicle Publishing Company" returned, Best has suddenly turned his back on Boston, and the membership is to be transferred to a company wherein they may continue to be favored with "select and ultimate" actuarial advice. However, to some of these members it must seem queer that from some source unknown—for the communication is anonymous—they are invited to gather and vote upon a reinsurance of the society, and to vote that the bonus offered for the business shall be distributed in payment of the alleged claims for promoting the growth of the society.

Reinsurance under the existing conditions is the only solution and for the best interest of the members, so if the anonymous communication is a legal notice it should be given serious consideration. The reinsurance agreement should be referred to a committee selected by the members themselves, with authority to engage such a man as S. H. Wolfe, the well known examiner and actuary, so that an examination of the alleged claims and the audits may be made, for some of these claims are just and should be met.

The charge in the anonymous communication that the audit made by the president and assistant secretary, verified by an expert accountant, was rejected, "because of its evident bias and unreliability," is unfounded, as a reading of the report will show. All claims for advances prior to January 27, 1903, were disallowed because of the fact that under that date there appears in the minutes of the board of directors a statement signed by Miles M. Dawson that the amount expended, as shown in the statement, "includes all the cost for organization." All claims for moneys paid Miles M. Dawson were allowed to the claimants but deducted from the Dawson claims, as well as all payments shown to have been made to him on the books of the society.

The "syndicate" claim was disallowed because it was a statement only of the money claimed to have been received by the "syndicate" trustees for which certificates were issued, and not a statement of the amounts expended under the agreement. Even as presented the statement showed the issuance of certificates for $1,700, after Wadsworth resigned September 25, 1907, and which under the agreement could only be issued for money actually received, just as payment out of the "syndicate" fund could only be made "upon the order of Wadsworth, or his successor as agent." Attention had been repeatedly called to the fact that this "syndicate" statement did not comply and was not filed in accordance with the agreement, and as the time limit for filing claims had expired, and this "syndicate" proposition was a speculation pure and simple, the least that could be exacted was that the obligation

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assumed should be only for actual money expended in strict compliance with the original agreement.

If an audit governed by such a fair statement of facts is chargeable with "bias and unreliability," then nothing short of blindly accepting any kind of a statement without consideration or investigation could prove acceptable. Neither was this report of audit rejected by the board of directors. This could not be done without the vote of the "syndicate" trustees who were members of the board, and they were stopped from acting in such a dual capacity. What was done was to cut out the leaves of the minutes upon which this report of audit appeared, in the hope that all questions arising out of such audit could be waived. The only way these "syndicate" claims could again have been properly considered was under a new agreement, and this could have been entered into by the board of directors only after an election of a full new board by the members themselves, the "syndicate" trustees acting only as such trustees, and not being also directors. This option was offered them.

No information had ever been given the members of the exact condition of the society, and the presentation to them of the results of my investigation and examination was withheld in the hope of being able to force a reform in methods and practices, instead of giving aid and comfort to those anxious to bring about a reinsurance to reap the benefit of an expected bonus.

Considering that the name was only changed March 9, 1908, and that the communication of the Superintendent of Insurance —which prevented active work on account of the questions raised concerning policy forms—was received June 14, 1908, there was actually just three months crowded with work of preparation and investigation. Under such most adverse conditions the results accomplished justified hope of success by slow and measured tread if only "the old man of the sea" could be shaken off, the greed for gain throttled, and the membership called into their own.

Not even in a matter of so much importance to the members as the reinsurance of the business is there an effort to comply with the requirements of the law. The communication mailed to the members calling meetings at which the matter is to be decided by their votes is anonymous. It is neither signed by any of the directors nor has it an imprint showing its source or by what authority it is issued. Was it because its authors were ashamed of the statements made or are they attempting to evade responsibility? Or is there an ulterior motive to prevent any action which does not include the employment of the bonus to satisfy alleged claims, by drafting this anonymous call for these meetings in a manner so open to criticism as to permit the question of the legality of the action taken being raised?

Some of the arguments in this communication are truly "Dawsonesque." The members are informed that owing to their low premium rates a change from participating to non-participating policies can involve no loss to them, because "it is doubtful whether they (the premium rates) will prove any more than sufficient to meet the claims under the policies." Did it ever occur to the consulting actuary of the reinsuring company, if he believes this statement to be true, that it would be his duty to inform the management of the reinsuring company that they cannot afford to pay a bonus for this business? By whom and by what authority was this proposal for reinsurance submitted to the members and the call for the meetings issued? At least now, when the protection of quite a few of these members may be irretrievably lost by delay and illegality, enough disinterestedness might be expected to prevent objection to further questionable methods.

(Continued if necessary.)

Eye Injuries and Disability Claims.

(From the Industrial Review.)

On account of the situation of the eyes, injuries to them frequently take place, and foreign bodies lodging in the eyes are perhaps the most common cause of this form of disability. Blows over the eye or in the region of the eyes, exposure to flames or heat and irritating fluids or gases often cause disability. When a foreign body lodges in the eye, and especially if that foreign body is a hot cinder, the resulting inflammation is greater and the corresponding period of disability is longer.

When an inflammation of one or both eyes is present, there is swelling of the tissues composing that organ, together with the parts surrounding it, redness of the white of the eye which is due to the increased blood supply and inflammation, and oversecretion of lachrymal fluid which causes a watering of the eyes, and often a muco-purulent discharge. Photophobia or pain on exposing the eye to light is a common symptom, together with tenderness over the eyes, headache and inability to use them for any length of time.

House confinement is always present when a severe injury takes place, this being necessary on account of confining the individual in a darkened room. The period inside the house depends on the degree of injury. Sometimes it may last only two to three days, while again from one to two or three weeks may be necessary. Total disability lasts from three to seven days in all classes of risks, when a slight injury to the eyeball has taken place. If a hot cinder becomes embedded in the cornea or covering of the eye and is not removed until one or two days later, and an ulcer has developed or a severe blow is received to the eye, total disability may last from two to four or six weeks—this time depending on the severity of the injury, the resulting inflammation and the exact duties of the occupation of the individual. Partial disability frequently follows injuries to the eyeball in preferred risks, the policyholder in such cases being able to supervise the business in many cases, but not able to use the eyes continuously. Slight injuries to the eyeball in which a short period of total disability has occurred usually require from one to two or three weeks of partial disability. When the injury has been more severe and total disability has lasted for several weeks, from two to four weeks of partial disability may be necessary in such cases.

Claims arising from injuries to the eyes can usually be settled according to the above time, except when the loss of sight supervenes. In such instances the majority of policies pay a fixed sum for the loss of one or both eyes, thus making the settlement an easy one when it is positively determined that the sight has been irrecoverably lost.

Individuals suffering from the loss of sight of one eye are not considered insurable for accident insurance until from two to three years have elapsed after the injury occurred and the sight of the other eye is normal and remains so in every respect. If an accident policy should be issued to such a person, the policy would have attached to it a rider eliminating the payment of indemnity for the loss of both eyes. If the remaining eye is lost, insurance companies pay for the loss of one eye, and not for the complete loss of sight, as the individual has only one eye to start with, and therefore the company is not liable except for the loss of one eye, even though the one eye is the only eye the person had when the policy was issued. Individuals who have been accustomed to seeing with one eye for some years or more are insurable for accident insurance, provided the policy contains a waiver eliminating the payment of indemnity for the loss of two eyes. If the injury has not been sufficient to cause the loss of sight of the eye and this function is restored without impairment, such persons are insurable for all kinds of insurance from three to six weeks after complete recovery.

Old Age Pensions Costly—Frederick L. Hoffman, in Address to Massachusetts Reform Club, Shows Difficulties of the Scheme.

At the annual dinner of the Massachusetts Reform Club on Friday last at Boston Mr. Frederick L. Hoffman, statistician of the Prudential, read a carefully prepared address on "State Pensions and Annuities in Old Age," including a brief outline of the different pension systems. This was followed by an estimate of what it would cost to introduce a non-contributory pension scheme into the State of Massachusetts, or in the United States as a whole. The article was a particularly timely one in view of the forthcoming report of the Massachusetts commission appointed to investigate the subject of old age insurance, the result of whose deliberations will be made public about the first of the year. Mr. Hoffman summed up his remarks and conclusions with the statement that:

The only State pension plan which is likely to meet with public approval must be on a non-contributory basis, corresponding to the recent English act and the more or less similar laws of New Zealand and New South Wales. The economic or social necessity for such a radical innovation has not been established for the State of Massachusetts, nor for any other American State.

The term "pension," as used in connection with the agitation for systematic financial provision for the aged, is misleading in that what is guaranteed is not a pension in the true sense of the word, but poor relief under another name.

At the present time, of the population of the United States, sixty-five years of age and over, 1.6 per cent. are in almshouses, and while of the remainder quite a proportion, no doubt, are dependent or physically infirm, they are not a very heavy burden to the taxpayers under the prevailing methods of charitable relief. In Massachusetts out of every one hundred of the popula-

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tion over sixty-five years of age only 1.4 per cent. are in almshouses, and no very decided divergence from this proportion is met with in other States.

The age sixty-five is usually suggested as a minimum, and seventy is generally conceded to be too high to result in any material improvement in the financial circumstances of the aged. The demand, however, is practically certain, in course of time, to be for a reduction of the pensionable age to sixty, which, of course, would enormously increase the cost of whatever State pension scheme might be adopted.

A serious consideration is implied in the probability that invalidity, or physical unfitness for work, at other than the pensionable age group, would be considered as of equal right entitled to systematic State support, and the tendency would be to follow the method of New South Wales and make such invalidity or incapacity pensionable at ages sixty and over. (In Denmark the age is fifty-five).

The ultimate cost of a State pension scheme varies with the pensionable age adopted, the pensionable amount granted and the pensionable proportion of the population within the pensionable class. In New South Wales the proportion actually receiving pensions at ages sixty-five and over is 40 per cent., but there are strong reasons to believe that the proportion in Massachusetts would be larger, provided the pension were granted as a right and not as a privilege.

A minimum pension rate fairly in conformity to the American standard of life would be at least $2.50 a week, or about $130 a year. The Massachusetts proposals, however, have been as high as $260 a year, which, of course, would impose a decidedly greater burden upon the taxpayers of the State. In exact proportion to the amount payable the numbers who would take advantage of the pension grants would be increased.

As to the probable pensionable proportion of the population, it is safe to assume that the large majority of the aged, if entitled to a State pension as a right, would avail themselves of their prerogative under whatever legislation might be adopted.

In the United States at the present time the estimated population aged sixty-five and over is 3,575,000, and if 50 per cent. of this population were to receive pensions the annual cost at the rate of $130 a year would be $234,353,000. In the State of Massachusetts the population aged sixty-five and over may be conservatively estimated at 162,000, and 50 per cent. of this population, at a pensionable rate of $130 per annum, would require an annual expenditure of $10,520,000, exclusive, of course, of the cost of administration. If the pensionable age were reduced to sixty, the cost for the United States, upon the preceding assumption, would be $567,590,000, and for the State of Massachusetts $16,420,000. If the pensionable age, however, were placed at seventy, the cost for the United States would be $134,034,000, and for Massachusetts $6,230,000, exclusive, of course, of the expenses of administration.

The administration expenses have been estimated at 3 per cent. for the Australian Commonwealth, but they would probably in this country attain to a somewhat higher proportion, and hardly be less than 5 per cent. of the total pensionable amounts.

The final total cost of a State pension scheme on the non-contributory plan would have to be raised by additional taxation, and the source of such taxation would probably be a substantial increase in the poll tax, or a special tax on inheritance, or, finally, a stamp tax on wages.

A poll tax of $2 a year would be wholly inadequate to meet the minimum cost requirements, while even a poll tax of $5, as it has been suggested, would, in all probability, still be insufficient. What amounts could be produced by specific taxes on inheritances is merely conjectural. A stamp tax of 2 per cent. on wages would also probably prove insufficient, and as much as 4 per cent., if not more, might be required.

The various disqualifications for pensions which have been suggested would gradually be done away with, and in proportion, of course, the total amounts to be provided for by taxation would considerably increase. A gradual increase in the longevity of the aged would also tend to enhance the financial difficulties of the propositon, so much so that a very material addition to the original and preliminary estimate might be necessary.

Anticipations of a material reduction in general poor law expenditures are not likely to be realized, judging by the experience of New Zealand, New South Wales and Victoria, according to the evidence presented to the Commission on Old Age Pensions for the Australian Commonwealth. The fact is apt to be overlooked that the very large proportion of indoor and outdoor pauperism and poverty applies to other groups than those included within the pensionable group, and, for illustration, of all the paupers in almshouses in the United States only 33 per cent. were of the age period sixty-five and over. It is equally doubtful whether any considerable proportion of indoor paupers could be induced to leave their respective institutions, and in time experience would repeat itself, as proven in the case of soldiers' homes, where pensions are paid in addition to indoor support at public expense.

Arguments that the workers *of* the nation are equally rightfully entitled to pensions as workers *for* the nation, as soldiers, sailors or civil service employees, are not valid because general wage workers and salary earners are primarily serving their own interests, and not that of the nation at large.

State pensions in old age will not, in my opinion, solve the problem of poverty and pauperism, but, to the contrary, such pensions will materially undermine the thrift function at every period of life. English experience is to the effect that the very prospect of a government pension in old age has prevented large numbers from becoming subscribers to the voluntary superannuation funds of friendly societies, and there are no reasons to suppose that the experience in this country would not be identical, and affect all the various lines of voluntary savings, investments and insurance.

The possible solution of at least some of the most perplexing problems resulting from poverty and pauperism would seem to lie in entirely different directions than State pensions for the aged. Improved methods of poor law administration would do much, but even more decidedly beneficial would be the results of an improved system of industrial education, possibly a more just and equitable method of industrial remuneration for work actually and well done. Increased efficiency would materially increase the earning capacity of the wage earners of the nation, and correspondingly their opportunities to provide in their own way and at their own cost for dependent survivors in the event of death, and for themselves in the event of old age.

Strong faith may also be placed in more rational methods of teaching thrift in the public schools, and in otherwise inculcating habits of prudence and self denial by increased security for the savings and investments of those who constitute the large group who work for wages or small salaries, and who, in the event of the loss of their savings, practically lose their all. Much more may be done by insurance than has thus far been possible, but it will require time to develop more systematic habits of savings as a prerequisite for the highest development of the life insurance business. Old age annuities have their limitations, and they are not popular with the young, but a healthy public interest should be aroused in this subject by widespread agitation, and illustrations of the cost to be incurred and the benefits to be realized. What has already been done in this direction is of the greatest possible credit to the prudent and thrifty, which constitute the overwhelming majority of the population, and where so much has been done practically unaided and alone by wage earners in their own way and at their own cost, confidence may be placed in the future that tendencies in this direction will not diminish, but rather increase. Better education is necessary in domestic economy, in the rational expenditure of wage earners' money for both the necessaries and the luxuries of life, so that the waste may be reduced to a minimum, and accrue to their decided advantage by an increased margin available for voluntary savings, investments and insurance. State insurance as a substitute for private insurance is open to serious objections, and experience demonstrates that governments have not been able to successfully compete with private enterprise in this field. The recent experiment in Massachusetts is too new to warrant definite conclusions, but if it will aid the cause of thrift and benefit the people it is to be hoped that the innovation will prove a success. There is abundant room for competition between private enterprise and the State, provided the latter does not take an undue advantage over the former by the control, which in the nature of things the State has over the taxing power, which implies the power to hinder and destroy.

In its final analysis, however, the whole problem of State pensions in old age strikes at the root of national life and character, and involves the tremendous possibility of permanent injury to the highest ideals of family and social life. Practically all of human progress has been achieved by struggling, and of all the incentives making for the development of right habits of living, there is not one more important than the desire for economic independence in old age, achieved by the people in their own way, and at their own cost. It will be a dark day for the republic when incentive is taken from the masses by a State pension scheme based solely upon sentimental considerations for the needs of the few, with a disregard for the vastly more important rights and liberties of the many.

Those who so fondly believe that all the ills of mankind are curable by law or legislation may be reminded of the words of Mr. Arnold Foster, M. P., that "It is a peculiarity of acts of Parliament that in nine cases out of ten they produce no re-

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sults, or results totally different from that which was intended by the framers, and that in my opinion will be the outcome of any deliberate attempt to force a State pension scheme upon the people, who, by all the standards of comfort, wealth and progress, do not need it—and let us pray that they never may."

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1860 48TH YEAR 1908

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ASSETS, $20,004,853.63. LIABILITIES, $19,235,418.20.
(Including Dividend-Endowment Fund)

Dividend-Endowment Fund (Deferred Dividends)	$1,795,020.00
Net Surplus	769,435.43
Insurance in Force	86,193,296.87

The forty-eighth annual report shows a gain in the amount of insurance in force; that assets were increased nearly $1,000,000, and that over $300,000 was paid to policyholders in dividends.

The Connecticut Mutual Life Insurance Company

Stands alone among the American companies of any note, in having repaid to its members, their beneficiaries and estates, in annuities, endowments, death claims, surrender values and dividends, more than it has received from them in premiums. These are the totals:

Received since organization—1846	$249,356,745.45
Repaid as above noted	253,641,382.54
Excess over amount received	4,284,637.09
Assets December 31, 1907	65,003,271.10
Surplus December 31, 1907	2,326,657.25
Insurance in force December 31, 1907	174,716,005.00

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German American Insurance Company
New York

STATEMENT JANUARY 1, 1908

CAPITAL
$1,500,000
RESERVED FOR ALL OTHER LIABILITIES
7,592,685
NET SURPLUS
4,415,353
ASSETS
13,508,038

FIREMEN'S
Insurance Company of Newark, N. J.

ORGANIZED 1855

CAPITAL,	$1,000,000.00
ASSETS,	4,701,068.80
SURPLUS TO POLICYHOLDERS,	3,148,371.45

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H. W. BEALS, Suburban Agent, . 76 William Street, New York

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232 WALNUT STREET, PHILADELPHIA.
FOUNDED 1792.

Assets, January 1, 1907		$10,748,864
LIABILITIES—Reserved for Reinsurance and all other claims	$6,705,870	
Capital Stock	3,000,000	
Surplus over all Liabilities	1,042,994	$10,748,864

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BENJAMIN RUSH, Second Vice-President.
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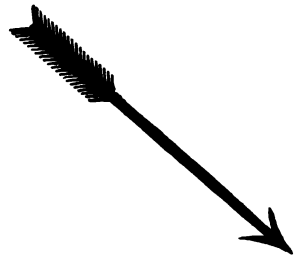
Reinsurance and all Liabilities	4,096,833.14
Surplus	1,615,283.97
Total January 1, 1908	$6,462,117.11

R. DALE BENSON, Pres. W. GARDNER CROWELL, Sec.
JOHN L. THOMSON, Vice-Pres. HAMPTON L. WARNER, Asst. Sec.
WM. J. DAWSON, Sec. Agency Dept.

ATTRACTIVE CONTRACTS



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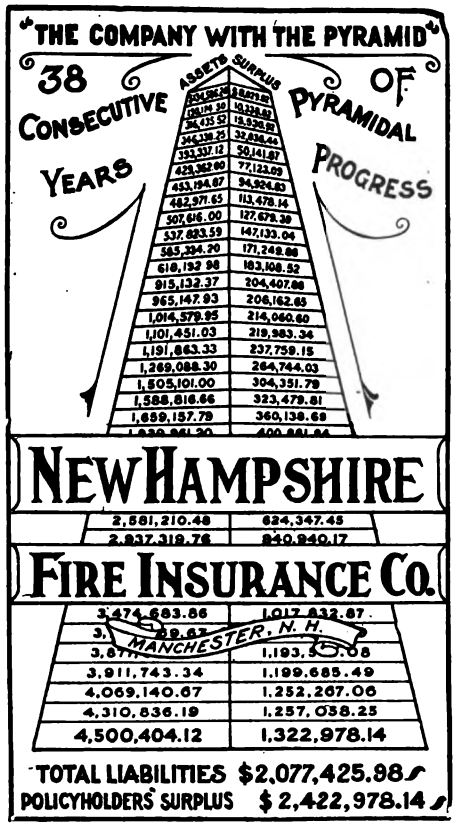
STATEMENT DECEMBER 31, 1907.

Resources (including Capital, $2,500,000)..... $6,365,342.47
Liabilities (including Reserve, $1,126,946.11).... 1,746,329.08

HENRY D. LYMAN, *President.* W. S. JOHNSTON, *Vice-President*



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The Weekly Underwriter:

AN INSURANCE NEWSPAPER.

ESTABLISHED 1859.

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CHARLES A. JENNEY, President and Treasurer. L. ALEXANDER MACK, Secretary.

AN excellent law has been put in force in Ohio which will have an important influence in the reduction of the waste by fire, particularly if it is generally adopted. It is the Reed law, so called, which makes compulsory instruction in the chemistry and danger of fire, thirty minutes in each month of the school year, for all children between the ages of six and fourteen years in the private and public schools of the State. The law also requires the preparation by the State Fire Marshal of a book containing the necessary instruction for these pupils, and the first volume, specially compiled by Assistant State Fire Marshal Clarence Morris, has now been issued. We suspect that it will prove as interesting to the school children as most of their text books. In effect it will teach them the causes and the results of accidental fires and how to guard against and prevent them. They will learn the danger of starting the kitchen fire with the handy kerosene and of holding the lighted candle over the gasoline tank. Impressions thus made upon the youthful mind will not fail to bear fruit in maturer years, and where a whole community shares in the education a general improvement in conditions is certain. The lead of Ohio in the enforcement of the principle that an ounce of prevention is worth a pound of cure should be followed by all the States.

TWELVE million dollars are paid yearly, or one hundred and twenty million dollars every ten years, by life insurance policyholders in taxes imposed by State governments in the United States. This inequity and the means of, at least, modifying it were made the subject for consideration at the annual meeting of the Association of Life Insurance Presidents, held in this city this week. The larger topic—the theory of taxation—was treated in an exceptionally able paper by Professor Zartman, of Yale University, and its application to insurance was made by himself and by Manager Robert Lynn Cox and President Dryden in other contributions. We print a report of the first day's session. An oral discussion of the subject of taxation was appointed for today's meeting. With so much light thrown upon it from competent sources, and so much attention given to the methods of meeting the question, it would seem that a well matured policy for a satisfactory understanding with the tax making power ought to be reached. We commend the several papers which are reproduced in our report to the careful study of our life insurance readers. It cannot fail to equip them for effective work in the cause of insurance taxation reform when they come in contact with policyholders. We cannot forbear quoting here for these missionary purposes a striking passage from the address of Mr. Cox, showing particularly the injustice of a system which actually makes the citizens of one State contribute to the support of the government of another State, in which they have no interest, and to which they are under no obligations. It follows:

> The wide variation in rates paid by different companies results mainly from the operation of what are generally known as retaliatory laws. They provide in effect that the State in which they exist shall tax companies of other States as those States tax its companies. Under such a law in Wisconsin, for example, Connecticut companies are not taxed at all, New York companies are taxed 1 per cent., Iowa companies are taxed 2½ per cent. and Texas companies would be taxed 3 per cent. if doing business in the State. And while these rates prevail for such companies in Wisconsin the rates paid by the same companies in other States are on a wholly different basis and of different amounts. Would it seem possible for confusion to be worse confounded? Competition and bookkeeping difficulties have prevented the companies from finding a way to do equity between the policyholders of different States by charging premium rates according to the tax rate imposed by their several States. In effect the policyholders of certain companies in certain States are contributing directly to the support of the State Government of other States. They are being taxed by legislatures in the selection of which they have no voice. As shown by a recent editorial in a Wisconsin daily paper, the life insurance policyholders of one company are paying collectively almost one-half the entire cost of the new Wisconsin State Capitol, though less than 10 per cent. of them are residents of that State.

IN his interesting "message from the South and West" to the representatives of the great Eastern life insurance companies assembled at the meeting of the Association of Life Insurance Presidents this week, Mr. Samuel Boswell Smith, as the official representative of the young Southern and Western companies—now some fifty in number as associated in the American Life Convention—advances a reason why legislation favored by the larger companies in his section cannot be secured and that undesired legislation cannot be prevented. He attributes the failure to the antagonism existing between the local companies and the working force in that field of the non-resident companies. He admits that the local companies do appeal to local pride and to local sentiment; that they do seek to arouse prejudice and possibly passion "against the great and wonderful successes of the Eastern companies." These attacks—which have been accentuated by the Armstrong investigation—are met by the agents of the Eastern companies with attacks on the integrity and solvency of the methods and management of the newer companies. More than all else, the counter-attacks are not confined to competition in the field, but are carried by the outlanders into the local legislatures by the introduction of bills to injure the resident companies. Hence "suicidal legislative fights among the life insurance interests" on the very floors of the various legislatures. Mr. Smith acquits the managers of the great companies of inspiring this policy of aggression, but claims that it is a systematically devised course of their general agents in

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the Southern and Western field. As the local insurance interests naturally have the stronger influence with their legislatures they are able in the long run to kill legislation inimical to themselves and promote that which is injurious to their more powerful competitors. Hence Mr. Smith's conclusion that if the Association of Life Insurance Presidents and the companies which it represents desire to enter upon a campaign for tax reform in the South and West with hope of success they must call off the war on the local companies of those fields. In other words, the whole business must present a united front. Unquestionably this counsel should be well weighed. It seems to us, however, that it would be too much to expect that certain methods of competition between the older and larger and younger and smaller companies in that part of the country can be wholly abandoned. It is the essence of the plea of the former that they are the stronger, with all that that implies, and of the latter that they are the home institutions and have the right to protection and preference against the foreigners. While this contention may continue only evil can come to the whole business by using the legislature as an instrument of competition, and it should cease.

Facts and Opinions.

In the New York Supreme Court on Friday last Justice Bischoff granted an injunction in favor of **James Hazen Hyde** and others restraining the **Equitable Life Assurance Society,** the Mercantile Trust Company and George V. Turner from proceeding with suits in which it is sought to recover $2,000,000, representing an investment in 1894 by the Equitable in the stock of the Western National Bank. The point involved was whether a committee appointed by the Equitable Life to guarantee a note given to take up a loan of the Western National Bank, in which the Equitable was interested, should be held liable personally, or whether the liability was directly against the Equitable. The committee was composed of Henry B. Hyde, Louis Fitzgerald, William N. Coler, Jr., Marcellus Hartley and John E. Searles. Henry B. Hyde, being dead, his wife and James Hazen Hyde, his son, represent his interests. It appears that in 1894 the Western National Bank owned certain claims amounting to $661,291, growing out of loans to John W. Young and others. The Comptroller of the Currency considered the bank's capital impaired by these loans and ordered the amount made good. The Equitable Life, as majority stockholder in the Western National, got the Mercantile Trust Company to advance the money to take up the claims. The Mercantile Trust did this, loaning the money to George Turner, an employee, for the use of the Equitable. The transactions were extended so that the amount involved had grown to more than $2,000,000 when suit for recovery was finally brought. Turner, being used in the transaction merely as an employee, the Equitable Life instructed the committee named, which comprised its own board of directors, to guarantee the note which Turner gave to the Mercantile for the loan. In turn, the Equitable agreed to indemnify its committee in case of loss. In summing up the conclusions of the court Justice Bischoff says:

Since Hyde's death the personnel of the society's board of directors has materially changed, and the persons now in charge of the society's affairs question the validity of the agreement to indemnify the guarantors.

While admitting that the loan may have been an unwise one, Justice Bischoff nevertheless fails to see how the guarantors can be held in an action at law, intimating that the distinctly liable person or corporation is the Equitable Life itself. He says:

That under such circumstances a court of equity will interfere, by requiring the principal debtor to pay the debt and thus cause the guarantors to be exonerated, and for that purpose will enjoin the creditor from proceeding against the guarantors primarily, security being given to protect the former against loss from delay, is well settled by principle and authority.

At the regular meeting of the **New York Chamber of Commerce** held on Wednesday a resolution was introduced by Vice President Anton A. Raven of the Home Life, as chairman of the insurance committee of the chamber, calling upon the Governor to take action, in view of the falling off in premiums of the domestic life insurance companies, by the **appointment** of a **commission** of five, two of whom shall be expert **life insurance** men, which shall **investigate** the **conditions** surrounding the life companies of this State and report to the incoming Legislature not later than January 15 next. The text of the resolution is as follows:

Whereas, The present insurance law as governing life insurance companies was adopted at a time when the emergency seemed to necessitate prompt action and it was impossible to consider with due deliberation all the effects of the new law upon the varied interests to which it would apply; and

Whereas, In some particulars it seems necessary to amend the statute to the advantage of the interests involved without affecting the general purpose of the law; and

Whereas, The Superintendent of Insurance of the State of New York in his recent report to the Legislature discusses the relative progress of the life companies of this State as compared with the progress of the life companies of other States during the year 1907, as exhibited in the sworn returns included in said report, and sums up the situation in these words:

"Covering the business of the years 1904 and 1907, the outside companies exhibit a decrease of only $81,000,000 in new business written, and an increase of $874,000,000 of total insurance in force, while New York State companies have a discouraging record as above shown of $692,000,000 decrease of new business and $53,000,000 decrease of insurance in force.

"In 1904 the new insurance written by the life insurance companies of other States then authorized was about 64 per cent. of that written by New York companies, while of new insurance written in 1907 the total of our own companies was only about 80 per cent. of that of the outside companies"; and

Whereas, There seems to be a difference of opinion as to the cause of this "discouraging record," now, therefore, be it

Resolved, That the Governor of this State be and he hereby is requested to appoint a commission of five responsible citizens of this State, two of whom should be expert in all branches of life insurance administration, immediately to investigate the conditions surrounding the life companies of this State and report to the incoming Legislature, but not later than January 15, 1909, what, if any, action in the judgment of such commission that body should take in the premises.

(Signed) ANTON A. RAVEN,
GEORGE E. IDE,
ELBRIDGE G. SNOW,
HENRY EVANS,
HENRY C. SWORDS,
Committee on Insurance.

Further details as to the **Ohio German Fire affairs** are being made public as a result of investigations by the Ohio Insurance Department. It is claimed that from two to three hundred losses, some over sixty days due, had not been entered on the books. It was also discovered that the dates on loss reports in the latter part of the year were changed with acid and redated in January or February, showing that they did not figure in the annual statement. It is also held that the agency balances were scaled in order to pad the figures. The statement sent out from Toledo that the creditors would not receive more than 25 per cent. was based on a misunderstanding of the agency balance item, the correspondent having been informed that very little of this could be collected. He did not understand that the local agents would pay it to their customers in return premiums, and would reduce the reinsurance reserve liability by just that amount. The Circuit Court at Toledo this week appointed E. R. Torgler, of the insurance firm of Braun-Torgler Company, and E. J. Marshall, of the legal firm of Marshall & Fraser, as trustees of the Ohio German's affairs. The appointment of the trustees relieves the State from further responsibility. The trustees will simply

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wind up the business by determining the liabilities and assets, and the care of the return premiums accordingly. The company has had its license discontinued in some seventeen States. The Ohio Insurance Department examiners are working on the company's books, but are not expected to be able to report on the status of the company's affairs for at least two weeks. It is stated that about one-third of the business on the books a week ago has been transferred—most of it on a pro rata basis—to other companies.

According to the *Chronicle* the **Actuarial Society of America** has decided to **change** its **examinations,** to go into effect in the year 1910, so that each of the associate examinations will take two days instead of one. This will about double the number of questions, and will thereby be a better test of the information of the applicant for membership; that is, there will not be so much likelihood of his failing merely through a fluke, having been unable to answer a particular question or so. The "Elements of Differential and Integral Calculus" has been put in the first examination and the "Application of the Calculus of Finite Differences and of the Differential and Integral Calculus to Life Contingencies" in the second associate examination, from which "The Source and Characteristic of the Principal Mortality Tables" has been taken and transferred to the first examination for Fellow. Each of the associate examinations will consist of two parts, and one part may be taken at a time if the applicant so desires. Two new subjects have been added to the Fellowship examinations, viz., "Valuation of Life Interests and Reversions" and "Method of Compiling and Graduating Sickness, Accident and Disability Statistics; Construction of Premiums Therefrom." There will be two parts of the Fellowship examination, as before. The society has also decided to issue a diploma to its fellows, which, in case they were charter members, will so state, and also will state the fact if they have been admitted without passing examination. This decision to issue diplomas is in line with the best practice abroad, and will make the degree of Fellowship in the society more valuable than ever.

They are getting back to **old fashioned methods of selling life insurance** these days, according to a correspondent who thinks he ought to know, as he was only "roped in" himself a few days ago. In regard to this he says:

You don't hear any more about big dividends or taking insurance for the investment features, or of gold bond policies which are better than Government bonds. Oh, no, that game of talk has all passed away. What one now hears from the agent is a straight heart to heart argument. What would happen to the wife if you should die tomorrow? Perhaps you have an estate, but how soon could it be turned into money to protect your loved ones? Buy insurance for protection, and buy it now while your health is good and when a medical examination is no ordeal. Objections of the prospective policyholder that he cannot afford to take such additional insurance now and must put the matter off till the first of the year are met with the quiet response that we all have all the expense we can stand, but life insurance is a necessity and one that cannot be well put aside. There is no bombast about the agent's company being the strongest in the world or the biggest or the largest dividend payer. That hot air is obsolete. The argument that convinces and secures the signature on the dotted line is the appeal to protect the home and all that it holds dear. In opposition to this all other reasons pale into insignificance, and the prospective applicant feels that he cannot afford to carry the risk himself any longer.

The presentation of the subject in a quiet and sensible manner, as indicated above, is a gift that few agents have. The majority of them talk too much. They talk the prospect into the idea of insuring, and then argue him out of it again. The golden psychological moment of closing has passed by forever, and the agent is probably never after able to bring the man to the point. Don't talk too much, and be careful what you say even then!

Regarding the **Wisconsin** law of 1907 providing for the **election of officers of life insurance companies** the Wisconsin Life insurance company has submitted the following question to the Attorney General of that State:

The directors of this company desire to submit to you the following question as to their duty under Chapter 667 relating to the holding of their next general election of directors, under the following facts:

1. This company's next general election of directors comes on January 11, 1909.

2. October 8, 1908, the directors appointed three inspectors of that election, and suggested and nominated an eligible candidate for every vacancy to be filled at that election; and then filed with you a certificate thereof.

3. No policyholder's nomination has been made as required by sub-division 3 of said section.

Under these facts is it the duty of this company to prepare and mail ballots to each of its policyholders as provided by Section 1947?

The Attorney General has made the following reply:

The nominations made by the inspectors, appointed by the directors, pursuant to sub-division 1 of Section 1947, appears to be entirely satisfactory to the policyholders, as no nominations have been made under sub-division 3 of said section by them.

"Section 1947, which provides for the mailing of ballots to the policyholders, applies only in case any nomination other than the directors' nomination shall be made."

It is therefore my opinion that it is not necessary for the company to mail ballots to its policyholders.

The West Virginia State Auditor, Arnold C. Scherr, has addressed a letter to the attorney for the **Pittsburgh Life and Trust** giving his reasons for revoking the **license** of the company in that State. As announced last week, this action was taken after the Pittsburgh company refused to be examined by the West Virginia Department. Auditor Scherr's decision was influenced by the report of the company's condition made by the Pennsylvania Insurance Department. The discrepancy between the figures for the valuation of the St. James Building in New York city, which is owned by the company, as considered by the New York and Pennsylvania insurance departments, respectively, is discussed. The appraisement of the building credited by the New York Department was $2,927,823, while for the Pennsylvania Department it was $3,290,000. After discussing the various matters connected with the Pittsburgh company's condition the West Virginia Auditor says:

I desire to emphasize the fact that if an examination had been made by this department by which the exact results, as ascertained by the Pennsylvania department, would have been found, except as to the real estate holdings, and had we accepted the company's valuation, as shown by the sworn statement on file in this office, the result would have been to show an impairment of $118,227.18. This is a reasonable conclusion, in view of all the facts in the case.

In the Federal court at Chicago Judge Kohlsaat has rendered a **verdict in favor** of the **Western Life Indemnity Company** for $200,000 against General George Moulton, its president, and E. I. Rosenfeld, former manager, as well as a decree for $125,000 against William H. Gray, a former president. Judge Kohlsaat's ruling primarily was based upon the proposition that three defendants failed to pay adequate attention to the protection of the policyholders. At the time when the transactions took place in 1905 Moulton was major general of the Illinois National Guard and head of the Knights Templar in United States. It was in the year mentioned that the Knights Templar and Masons' Life Indemnity Company became the Western Life Indemnity Company. Among other things it is stated that the contract of Gray was purchased for a sum aggregating $125,000. Judge Kohlsaat characterizes the transactions of the officers as tainted with fraud, and says that while it is not positively proven that Gray knew of Rosenfeld's scheme to loot the funds of the corporation, he might have ascertained the truth by reasonable diligence and caution, and under those circumstances to shut his eyes was actual as well as constructive fraud.

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In reply to the letter of Charles C. Lemert, the Ohio Superintendent of Insurance, who as chairman of the committee on laws and legislation of the National Convention of Insurance Commissioners addressed a letter to the various insurance companies in regard to a simplified form of fire insurance policy, Vice President Correa of the Home has written to express his views on the subject. It is safe to say that the majority of fire underwriters will coincide in the opinions of Mr. Correa, who says:

We beg to own receipt of your favor of November 16 in regard to the question of the advisability of presenting for legislative enactment a simplified form of fire insurance policy, and in reply beg to say that this company thinks it most inadvisable to advocate any substitute for the present New York form of policy or to attempt to amend the same, fearing as we do that any such action will result in a multiplication of policy forms should the subject come up before the various legislatures, besides which you doubtless realize as we do that the New York standard form of policy having been in operation for so many years there is hardly a single phrase or clause that has not been made the subject of a test in the courts, and never mind what simplification may be made it would necessarily result in expensive litigation to the companies and naturally inconvenient delay to the assured in receiving the amount that ordinarily would be due him.

A motion for a rehearing has been filed by Assistant Attorney General Hawkins of Texas in the case of the State against the **John Hancock Mutual Life,** which is pending in the Third Court of Civil Appeals there. On a former day the court dismissed the State's appeal in this case because the transcript of the record had not been filed within the prescribed twenty days. Judge Hawkins announces that a motion for a rehearing is based on the statute, as he construes it, which permits the filing of a transcript at any time during the term. This was the case in which the trial court held that the insurance company was not required to take out a permit from the Insurance Department to transact business in that State when it confined operations in Texas exclusively to the lending of money, principally on farm mortgages. The company secured a permit to transact such business from the Secretary of State. The Attorney General's Department insisted that it should have a regularly issued insurance permit. The trial court thought otherwise, and the appeal of the State was dismissed because of the failure to conform to the statutory rules as construed by the Appellate Court.

A **new code** of insurance laws for the State of **South Dakota** will be drawn up at a meeting at Aberdeen on December 10 between representatives of the Insurance Department and of the various companies operating in that State. A new standard fire insurance policy may be incorporated in the code. The committees for this work were appointed at a meeting at Redfield on Tuesday and Wednesday of this week. Following are the committees: Fire—H. P. Packard, of Redfield, secretary of the Merchants' Mutual Fire; A. M. Shilleto, of Sioux Falls, State agent of the Continental; A. F. Milligan, of Aberdeen, State agent of the St. Paul Fire and Marine. Life—J. D. Lavin, of Aberdeen; F. B. Smith, of Watertown, and Charles S. Barnett, of Aberdeen. Miscellaneous insurance—W. H. Roddle, of Brookings, and A. J. Shunk, of Aberdeen.

The **Minnesota Mutual Life** of St. Paul has made some radical **changes in its management.** T. R. Palmer, president, and several other officers have retired, and E. W. Randall, of the Minnesota Agricultural School, succeeds Mr. Palmer. A secretary and actuary are yet to be named. It will be recalled that S. H. Wolfe, acting for the Minnesota Insurance Department, examined the company last April, and as a result of his findings Insurance Commissioner Hartigan insisted upon certain changes being made. The new board of directors is composed of prominent St. Paul business and professional men, and it would appear that the thorough "house cleaning" is to be followed by a reorganization, which will insure a greater measure of protection to the policyholders. Ex-President Palmer committed suicide by shooting on Thursday.

The present deputy insurance commissioner of Washington State, **J. H. Schively,** who was recently elected Insurance Commissioner of that State, in his report to the Legislature **demands an investigation** of the conduct of his office, which has been criticised in certain quarters. For three years he has had charge of insurance matters, serving under Secretary of State Sam H. Nichols. He says that the charges made refer probably to the collection of taxes from insurance companies where he interpreted the law to provide for a tax on net income instead of gross income. His connection as an officer with the Pacific Live Stock Association of Spokane, which went into a receiver's hands, he believes may also have had something to do with the charges made.

Figures were recently printed showing that the disbursements made by the **Employees' Relief Association** of the **Pennsylvania Railroad** since its organization amount to $25,000,000. Since July, 1889, on the lines west of Pittsburgh, and February, 1886, on the lines east, $15,050,644 has been paid to members who, because of illness or accident, have been incapacitated for work. The remainder, $10,276,277, has been paid to the families of members who have died. On the lines east of Pittsburgh and Erie, where the relief fund has been in operation more than twenty-two years, the total sum that has been paid out in benefits is $18,485,753, of which $10,981,480 was on account of disablements through sickness or accident. The remainder, $7,504,272, was paid in death benefits.

Instruction of the **firemen** of New York city in the use of the new **high pressure mains** and hydrants has been arranged for so that no misunderstandings shall arise in times of need. A school of instruction will be in session each Saturday afternoon, at which from ten to twelve men at a time are to be under the direction of engineers of the water department, who will demonstrate the valves and attachments of the hydrants. A conference between the heads of the water and fire departments which was recently held will undoubtedly do much toward bringing about co-operation respecting the high pressure service. The need of such co-operation was shown in the delay in securing water at the Walker street fire some weeks ago.

The first regular meeting of the **Insurance Institute of Hartford,** held in the assembly hall of the Travelers' Building on Wednesday night, recorded an attendance of 200 life and fire insurance men. The president, William B. Clark, president of the Ætna insurance company, presided and Louis Denniston acted as recording Secretary. John M. Holcombe, president of the Phœnix Mutual Life, spoke on "The History of Life Insurance," telling of the rise of the business and of its growth to the present day. Richard M. Bissell, vice president of the Hartford Fire, reviewed the history of fire insurance. There are 400 charter members of the institute. The next meeting will be held on January 6.

The **International Tuberculosis Exhibition,** which opened this week at the Museum of Natural History, New York city, was largely attended on Monday, the opening day. The formal opening exercises were presided over by Mayor McClellan. Dr. Jacobi, the last speaker, emphasized the fact that the dread disease can be cured, and that many of the 200,000

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lives which are annually sacrificed in the United States from tuberculosis can be saved. The exhibit is intended to interest people in the prevention of the disease and to demonstrate practical ways of fightihg the scourge and the necessary sanitary precautions to be taken. The exhibition will last six weeks.

The **Western Union territory** has fared a little better than the rest of the country in November, the average **loss ratio** for the field being estimated at 50 per cent. This does not apply, however, to the companies that include Kentucky and Tennessee in the Western department, as the heavy losses on bonded whiskey have inflated their loss ratios. A more encouraging tendency is noted in business, but premiums have not yet shown much increase, as it will take some time for the increased demand to put manufactured goods in the warehouses and stores. Collections, however, have improved materially.

Demands that Wisconsin establish some kind of an **insurance system** for the **protection of workingmen,** not only in cases of accident or incapacity on account of sickness, but also with provisions for annuities in old age, will be presented strongly to the Legislature of 1909. Dr. John M. Beffel, of Milwaukee, had a conference with Governor James O. Davidson this week to urge that the Governor advocate legislation on this subject in his message. The State Labor Commission has already made a report in which it advocates the establishment of State accident and sickness insurance for workingmen.

At the annual meeting this week the policyholders of the **Equitable Life Assurance Society** re-elected the following **directors:** Frank S. Witherbee, Abraham Brittin, Edwin W. Robertson, Daniel A. Tompkins, Charles H. Zennder, Charles E. Littlefield and Jacob G. Schmidlapp. To fill vacancies these were elected: Jay Morton, of Chicago, brother of President Paul Morton; Alfonso F. De Navarro, of New York, son of Jose F. De Navarro, the only remaining member of the original board of directors, and Robert Mather, of New York, president of the Rock Island Company.

The **Kansas anti-trust suits** aimed at the State rating bureau have been dormant for some time, but Attorney General Jackson has filed a list of forty-four questions in the District Court at Topeka asking authority to require the companies to answer them. The questions propounded are the same as those asked in the Missouri hearing, which were answered fully under oath by the companies. The only material variation from the Missouri questions is that an effort is being made to show that the policy of separation is in violation of the anti-trust law.

The 1907-08 edition of **Hayden's Annual Cyclopedia of Insurance** in the United States has just been issued, containing the important features for which this publication is so well known. The book is an invaluable compendium of all information relating to the insurance business and the men in it, and as such is a necessary adjunct for every underwriter's desk. The cyclopedia contains this year nearly 700 pages of reading matter. It is published by the Insurance Journal Company of Hartford, Conn. Price, $2.50.

The business of the **German Mutual Fire** of Omaha will be reinsured in the German Fire of Omaha, a stock company with a $100,000 capital which is being organized for this purpose. The idea of placing the company on a stock basis came about because of the disrepute into which the mutual plan has fallen, owing to numerous failures among Nebraska companies conducted on this basis. Cases in point were the failures of the National Mutual of Omaha and the Nebraska Mercantile of Lincoln.

The fire insurance companies will file their answer to the interrogatories propounded by the State in the **Kansas anti-trust suits** next Monday. The attorneys are to answer the questions bearing on Kansas conditions and the operations of the State rating bureau fully and openly, following out the new policy of publicity. A few questions, however, which ask how the companies conduct their business in compact States and refer to conditions foreign to Kansas will be objected to as not competent.

Members of the **Utah Association of Life Underwriters** are giving their support to several **bills** affecting the insurance interests which will be introduced in the next Legislature. These will probably include a measure for a separate insurance department and the appointment of an insurance commissioner; also acts to protect legitimate insurance companies against "wildcats" and other evils of the business. It is possible that bills to prohibit "twisting" and rebating will also be introduced.

An amendment to the constitution of the **Chicago Board of Underwriters** has been proposed, to be voted on at the next meeting, to settle the question of the length of time a member under **suspension** may retain his **membership.** It adds to the present rule the following: "Failure of members to comply with the rules relating to reinstatement in good standing within thirty days after being suspended." This provides that a person convicted of violation must correct it within thirty days.

The **Chicago Life Underwriters' Association** will celebrate its twenty-first anniversary at the January meeting, which will also be the annual ladies' night. The first meeting was held December 7, 1888, but the exact anniversary will not be observed because of the custom not to hold a meeting in December, owing to the pressure of year-end business. James W. Janney, of the Provident Life and Trust, who was the first president, is the only charter member remaining in Chicago.

The **American Can Company** is rapidly **sprinklering all its plants,** and will soon have them under a superior state of protection. It started in with 110 plants, but has sold or dismantled many in which production was not economical and has concentrated its operations in thirty-three plants. It is understood that these are now all insured with Lloyds of London under a form which covers fire insurance, sprinkler leakage, etc., in one contract.

The number of **bonded whiskey losses** in Kentucky this year has caused many companies to consider whether a **moral hazard** is developing because of the rapid increase in the prohibition and local option sentiment. The secret service of the Government, which investigates bonded warehouse fires because of applications for tax releases, claims that it has discovered no evidence of moral hazard.

The **Western Central Fire insurance company** is being planned by Nashville, Tenn., interests to operate from that

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city. J. T. Dargan, of Atlanta, is interested in the organization, and has been in conference with Paul Roberts and George S. Parkes, the moving Nashville spirits in the undertaking. The capital proposed is $500,000, and a surplus of a like amount will probably be raised.

The **Sam Houston Life** is the new name selected for the Trinity Life and Accident of Dallas, Tex. The capital is $100,000 and the surplus $50,000. The Texas Insurance Commissioner has licensed the company to do both an accident and life business. Officers have been elected as follows: I. J. Willingham, president; W. B. Harrison, vice president, and A. S. Doerr, secretary.

In pursuance of its campaign against the rebater and part time man, the New York city agency of the Northwestern Mutual Life in April last offered five prizes for the best **anti-rebate rhymes**. The committee of award has finally announced its decision, and accordingly the rhymes have been printed and circulated. The jingles are really clever.

The joint committee on rates and minimum rates decided this week to recommend to the **New York Fire Insurance Exchange** a plan for reducing fire insurance rates in the territory covered by the high pressure service. The matter will be presented to the Exchange at its meeting to be held later in the month.

The **American National Fire** of Rock Island has taken up the general agency for Indiana, Michigan, Wisconsin and Iowa, including Cook County, Illinois, heretofore held by H. D. Cumming & Co., of Chicago. The territory will be handled hereafter from the home office at Rock Island.

A **temperance fire insurance company** has been discovered on the Pacific Coast, viz., the Pacific Coast Fire of Vancouver, which is writing surplus lines in the United States. The company will not write intoxicant saloon properties, or even hotels in which the sale of liquor is permitted on the premises.

A confession has been obtained from Norman Ganger, a twenty year old Rochester, N. Y., youth **arrested on arson charges,** that he had started eight fires in various parts of that city to see the firemen run. Both the police and firemen had been baffled by a succession of mysterious fires.

The **Chicago agency** of the **Mutual Life** of New York has written five times as much business this year as it did during the same period last year. In October the single Chicago office surpassed all the agencies in New York city on paid for business.

The **Western Factory Insurance Association** will write the $250,000 line on the McCaskey Register Company, at Alliance, Ohio, and $100,000 on the pottery of the French China Company, at Sebring, Ohio.

The **Federal Life of Chicago** has applied for admission to Texas, Arkansas, North Carolina and South Carolina, expecting to begin business after the first of the year.

The **Cooper insurance company** of Dayton, Ohio, will increase its capital from $100,000 to $200,000.

Personal.

AGENCY APPOINTMENTS.

California insurance company: William L. Bradway, Inc., second agents for Philadelphia.

Indianapolis Life: Berton F. Byers, formerly of the Travelers, executive special agent.

People's National Fire of Philadelphia: Cæsar Bertheau, of San Francisco, general agent for the State of California.

Mr. D. Smith Wood, a Newark, N. J., fire underwriter, who at one time was secretary of the Manufacturers' insurance company and had been for many years general agent for New Jersey of the Liverpool and London and Globe, died on Friday last after suffering for about two years from paralysis. He was sixty-five years old and had spent the greater portion of his life in the insurance business. He left the service of the Manufacturers of Newark at the time of its reinsurance in the Liverpool and London and Globe.

Major George Burgess Fisher, of Hartford, who was for twenty-five years the local agent of the Scottish Union and National in that city, died on Tuesday after a three months' lingering illness, due to an affection of the lungs. He was sixty-six years old and had spent practically all of his life in the insurance business. Mr. Fisher had several companies in his agency, so in 1900 the George B. Fisher Company was formed, with Major Fisher as president and his son, G. Burgess Fisher, a special agent, as secretary.

Vice President Samuel H. Shriver, of the National Surety of New York, has been tendered the presidency of the Commercial and Farmers' National Bank of Baltimore, to succeed James M. Easter, resigned. Mr. Shriver is an old Baltimorean, and has spent the greater part of his life in the Southern city. He became secretary of the National Surety in 1904, and was chosen vice president and comptroller this year. His decision has not yet been announced.

Mr. Robert P. Lethbridge, of Johnson & Higgins, died Tuesday at his Brooklyn home of pneumonia and other complications, aged sixty-four years. He was originally a member of the insurance firm of Lethbridge & Cornwall. In 1884 he and William H. Davidge formed the Lethbridge & Davidge insurance brokerage partnership. In 1900 both members joined Johnson & Higgins.

Mr. W. O. B. Clifford, a veteran agent of the New York Life attached to the Metropolitan branch, New York city, died on November 13 after a service of twenty years with the company. In this period Mr. Clifford, who was a steady producer, paid for about 1,200 policies for practically $4,000,000 of insurance. His health had been failing for some time past.

Mr. J. A. Bishop has been appointed as supervisor, with headquarters at Hattiesburg, Miss., of the Mutual Life of New York. Mr. Bishop was with the company for five years some time ago, but has recently been connected with the Lamar Mutual Life, of which he was one of the organizers and recently vice president and general agent.

Mr. Luther Gowen has resigned as manager in southern Indiana for the John Hancock Mutual Life, to become general agent for the American Central Life in Oklahoma. Southern Indiana territory has been added to the field of Manager E. E. Flickinger, of the John Hancock, who has had charge of central and northern Indiana.

Mr. Will T. Smith, superintendent of agents of the Des Moines Life, has resigned and will devote his time to private business interests. He has had a life insurance experience of about thirty years, some twelve of which were spent with the Equitable of Iowa before his connection with the Des Moines company.

Mr. Randolph Buck, Indiana special agent of the Atlas, has purposed as a part of the campaign of publicity in fire insurance matters that it be carried on largely through State fire prevention associations, with capable men as secretaries, who can work through the local agents and commercial bodies and so carry on the work.

Mr. Herbert H. Plummer, formerly an inspector at the Boston office of the Niagara Fire insurance company, has been appointed special agent in New England under General Agent Rice, and Mr. George Hart, of the home office staff of the company, has been placed temporarily in the same field.

Mr. William E. Napier, formerly assistant secretary of the Bankers Life of New York, has become vice president and general manager of the Scranton Life, which has recently gone on the stock basis. He succeeds Mr. W. E. A. Wheeler, who recently resigned to organize the Standard Life of Scranton.

Mr. W. F. Prather, Jr., of Baltimore, has been appointed manager of the Wisconsin department of the Casualty Company of America by August Rebhan & Co., general agents for Wisconsin. Mr. John F. Dunphy has been appointed general special agent of the Casualty Company for Wisconsin.

Mr. F. N. Travis, president of the Northern Accident of Aberdeen, S. Dak., is organizing the Western Life and Accident insurance company, to have a $250,000 capital, with headquarters in Minneapolis. The business of the Northern Accident is to be taken over by the new company.

Mr. C. F. Skehan has been appointed auditor of the Security Life of America and will have charge of the renewals. Mr. Skehan has been with the American Central at Indianapolis for the past four years in a similar capacity.

Mr. Charles J. Vopicka, president of the Atlas Brewing Company, of Chicago, has insurance in the Mutual Life of New York to the amount of more than $100,000. His first policy, for $12,000, was taken in 1897.

Mr. C. R. McCabe, connected with Peter White & Co., at Marquette, Mich., has been elected to the Michigan Legislature. Mr. L. T. Sterling, the local agent at Iron Mountain, Mich., will also sit as a legislator.

Mr. Atwood Smith, the veteran Philadelphia manager of the Liverpool and London and Globe, who is eighty-eight years old, has retired from active duty and will spend his time on his farm in Virginia.

Mr. A. D. Teller, of Newark, N. J., one of the oldest adjusters in the country and formerly New Jersey State agent of the Pacific and Allemania insurance companies, died on Thursday last.

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Mr. Alfred Steel, of Jamestown, N. Dak., one of the oldest agents in North Dakota, won in his campaign for State Senator over J. A. Coffey, of Courtenay, also an insurance agent.

Mr. Samuel L. Morrison, of Indianapolis, representative in that city of the Indianapolis Fire at the time of its reinsurance, died Friday last after a long illness, aged fifty-nine years.

Mr. George N. Cooper, an Omaha lawyer, has been appointed Nebraska State agent of the Old Colony Life of Chicago, which will enter Nebraska after the first of the year.

Mr. Samuel R. Maxwell, general agent of the St. Louis National Life, has resigned to accept the position of agency supervisor of the Missouri State Life in St. Louis.

Mr. David R. Rowland has been appointed agency director of the Bankers' Reserve Life of Omaha for Arkansas. He was formerly manager of the Prudential at St. Louis.

Mr. Joseph Froggatt, chief accountant of the United States branch of the Atlas of London, has become a Fellow of the Central Association of Accountants in London.

Mr. W. E. Page has resigned as Wisconsin State agent of the German-American to give his entire time to the Watch Tower Bible and Tract Society of Pittsburg.

Chief George Shaw, of the Richmond, Va., fire department, met a sudden death while fighting a fire on Saturday last. He was suffocated while directing his men.

Mr. William Marshall Wicker, formerly well known as a fire insurance adjuster in Chicago, died in Pasadena, Cal., on November 14, aged seventy-one years.

Mr. Carl T. Prime, formerly secretary of the Security Life of America, has been appointed agency supervisor by the Royal Union Mutual.

Casualty and Surety Insurance.

Unusual accidents of the week are as follows: A Pennsylvania man while feeding a fodder shredder had his right arm ground off.

An American woman mountain climber severed an artery in her foot by treading on a sharp nail.

While cleaning a well a man fell into the icy water, and in trying to raise him to the surface his companions choked him with the rope which slipped from his body.

Overexertion in a game of hide-and-seek caused the death of an eleven year old boy.

Ignorant of consequences a little boy threw a lighted match at the dress of a little girl playmate and she was fatally burned.

A boy was knocked out by a stone thrown by one of a gang of boys who were fighting in a nearby lot.

The wife of a St. Louis physician fell down an elevator shaft at the twelfth floor and was killed.

A bootblack fell asleep on top of a radiator, and when he awoke his back was badly roasted, his death occurring soon after from blood poisoning.

A boy climbed a 50 foot chimney in a spirit of bravado, but when he reached the top the bricks crumbled and he fell to the pavement, striking his head and dying instantly.

A man died from suffocation when, in falling, his derby hat became pushed down over his face, preventing him from securing any air.

When the body of a woman who had been killed by a passing train struck him, a Pittsburgh photographer received serious injuries on the head and back.

An undertaker's assistant was electrocuted in his barn by the short circuiting of an electric light wire.

Falling into a tub of scalding hot water which her father had filled to take a bath, a girl was scalded to death.

Blood poisoning resulted when a man cut a corn on his foot, and to save his life a portion of his foot was amputated.

A woman patient in a hospital who died from curious symptoms after an operation is believed to have swallowed the silk washcloth which was discovered inside her at a postmortem examination.

Two men were hurt, one fatally, as a result of trying to prevent a man from beating his wife.

The tilting of a wagon seat caused a runaway accident in which a man and his wife were thrown out, and he died from his injuries.

While playing on the coping along the sidewalk in front of his Philadelphia home, a boy touched a live wire from which the insulation had been worn and was instantly killed.

A three year old child fell into a tub of scalding water at her home and was seriously burned about the head, arms and body.

A fall on an icy pavement caused probably fatal injuries to a woman seventy-three years old, who had her hip dislocated and her back wrenched by the accident.

While engaged in unloading coke from an elevator in a gas works, a man and his son were dropped 30 feet by the parting of the cables, but were saved from fatal injuries because the falling car became wedged in the shaft above them.

Overexertion caused by shoveling snow from his sidewalk caused the death from paralysis of a baker.

Springing at a cat which a woman held in her arms, a dog fastened his teeth in the woman's arm.

A somnambulist walked out of a second story window while in his dreams, and falling to a cement pavement was picked up with both legs broken.

A wallet which had been carried for years in a pocket which pressed against the chest of a well known judge started an irritation which caused a cancerous growth.

One boy threw a lead pencil at another with the result that the lead sank deep into the ball of the other boy's right eye, and the sight of that member is totally destroyed.

A window cleaner of Newark, N. J., fell from the cornice of a house on which she was working, and was instantly killed.

A woman holding a four months' old baby in her arms was thrown from the wagon in which she was riding by a sudden lurch and the child was crushed by the mother falling on it.

A farmer who was cutting down a tree sawed off the limb on which he was sitting, and, falling to the ground, injured himself severely about the head.

Struck by a trolley while driving near the tracks in his wagon, a man had part of his ear torn off and received a deep gash over his eye.

A wealthy Philadelphia merchant slipped on the icy pavement and died from the resulting hemorrhage of the brain.

A dizzy spell overcame a man while walking in the ice and snow, and falling to the ground he was frozen to death.

A boy had his hand shot off by the explosion of a cap which he struck with a stone.

A youth was riding his father's horse when the animal became fractious and threw his rider over his head.

A man was mashed to a pulp by a landslide in a stone quarry.

The current issue of the *Budget* of the **Maryland Casualty** explains why the company does not believe that it is necessary to add an **indorsement** to the **bank burglary insurance policy** covering the bank should a bank officer be compelled by force to open a safe to permit the burglar to rob it. The reasons given are interesting in view of the fact that several of the companies writing this line have recently incorporated such an indorsement in their policies. The case which raised the question occurred in Kentucky. An officer of the bank was forced to open the combination lock, and the insuring company claimed that a loss covered by the language of the policy had not occurred and so refused to pay the loss. The indorsements covering such a contingency are characterized by the *Budget* as "very ambiguous, and we think very dangerous." The statement says:

Ninety-nine out of every hundred banks whose safes are insurable have time locks, and so a holdup after hours must have in view and actually bring about the destruction of the safe in order to be successful. If the time lock has been set nothing short of tools or explosives can open the doors of the safe, and so it would be useless and resultless for bank

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robbers to bring an official to the bank, or surprising one there, to attempt to force him to open the safe. Back in the '70s, when combination locks were almost universally used, being at that time the best guard known, bank officials were not seldom taken from their homes and given the choice of instant death or opening the safe, but with time locks used everywhere, as they now are, such a proceeding obviously would be stupid. And if the time lock has not been set, one of the warranties of the policy has been broken. The chance of dishonesty, under such an indorsement as was at first demanded, would be so considerable as to place the hazard more properly with those covered by bonds. It would be laughably easy to work up the details of a forced submission to bandits when an employee of the bank was the only robber, and if an endorsement covering such a loss were sold, it would mean the nullification of a most important part of the policy, for unless the time locks be set during certain agreed upon hours, the premium rates would be figured upon a materially different basis, and must be increased. Our policy covers a bank against hold-up during its regular business hours, including one hour prior and subsequent to the opening and closing of the bank, and against safe burglary during the entire twenty-four hours, provided entry is made into the safe by the use of tools or explosives directly thereupon. The policy also covers all damage to the safe, or safes, vault, furniture, fixtures and premises that may be caused by a burglarious attack, so those assured who set their time locks in accordance with their agreement, that is, between certain hours named by themselves when purchasing the policy, have just what is wanted—complete protection during the entire twenty-four hours against safe burglary and hold-up.

As chairman of the **special fidelity and surety committee** of the National Convention of Insurance Commissioners Insurance Commissioner Rittenhouse of Colorado has written to the various surety companies **requesting** them to furnish **information** relative to the face liability or penalty (not estimated) on all contracts and bonds, and premiums written and losses paid on fidelity and surety business for as many years back as possible. It is stated that the data is wanted for use at the next meeting of the committee on December 7 at Chicago. Mr. Rittenhouse further asks to be advised of the number of years that each company can furnish information regarding a classification of the business giving the penalty written, the penalty cancelled, the gross losses paid and the cash salvage obtained as applied to the following business:

Fidelity—Honesty guarantees:
(*a*) Fidelity—Bookkeepers, cashiers, clerks, etc.
(*b*) Fiduciaries—Executors, administrators, etc.
(*c*) Public Officials—State, county, etc.
(*d*) United States Government employees.
Surety—Financial guarantees:
(*a*) Contract.
(*b*) Contract, United States Government.
(*c*) Depository.
(*d*) Indemnity—Bail, appeal, lost checks, etc.

The *Bulletin* of the United States Fidelity and Guaranty of Baltimore in its current issue advises its agents to **go after renewals** promptly. It says:

It is of the utmost importance that agents generally make a more determined effort to renew fraternal order bonds. Expiration notices are sent out sixty days in advance, thus giving agents ample time in which to see the proper parties and return notices with certificates attached showing that the accounts of the officers bonded have been examined and found correct. We are forced to the conclusion that in many instances renewals are lost because agents are unwilling to give them the necessary attention owing to the relatively small commission earned on the business. This however, is a serious mistake, for, as we repeatedly have pointed out in these columns, the soliciting of fraternal order bonds almost invariably leads to other business—fidelity, judicial or contract—in which the remuneration is larger. We regard fraternal order bonds as highly desirable risks, and are making a determined effort to write this year a larger volume than ever before. However, our work will prove effective only in so far as we have the hearty co-operation of all our agents. All our competitors are making a drive for fraternal order bonds, and we therefore trust that each and every one of our field workers will strive not only to renew all expirations, but also make an energetic canvass to secure all the new business to be had in their respective territories. We invite correspondence, as we desire to do everything possible to assist in the development of this field.

The original ordinance providing for the erection of the new **city hall** in **Chicago** specified a **bond** equal to the amount of the contract. As the contract will be for about $3,500,000, it would be impossible for all the surety companies in the country to furnish the bond under the 10 per cent. limitation, a restriction which the city as well as the insurance companies is desirous of maintaining. In consequence, the ordinance has been amended to provide for a bond of one-third the amount of the contract, which will make it about $1,166,000. The lowest bidder was the Noel Construction Company, of Baltimore, which has close affiliations with the United States Fidelity and Guaranty of Baltimore, and if the contract is awarded to the Noel Company the United States Fidelity and Guaranty is expected to furnish the bond.

The **Surety Underwriters' Association** of Richmond, Va., has been organized to improve surety underwriting conditions in that territory. An effort will be made by the association to bring the brokerage commissions to a uniform basis and to eliminate rebating. Officers were elected as follows: President, George N. Skipwith, American Surety; vice president, B. A. Ruffin, Empire State Surety; secretary and treasurer, E. Leslie Spence, United States Fidelity and Guaranty. The companies which are represented in the organization are American Surety, American Bonding, Fidelity and Deposit, Fidelity and Casualty, Virginia Safe Deposit and Trust Corporation, Empire State Surety, Virginia Trust Company and United States Fidelity and Guaranty.

A meeting of the **Surety Underwriters' Association** of America was held at the Waldorf-Astoria in New York on Tuesday with all the companies represented by executives. A discussion was indulged in on matters which will come up at the meeting in Chicago next week of the special fidelity and surety committee of the National Convention of Insurance Commissioners. Premium and loss reserves were carefully considered, and a committee appointed to represent the organization before the fidelity and surety committee. The Illinois Surety of Chicago was elected to membership in the association, which now has fifteen members.

A meeting of the executive committee of the International Association of Accident Underwriters will be held on Monday at the Auditorium Annex Hotel, Chicago, at which time the contents of Insurance Superintendent Lemert's recent communication dealing with **standard forms of accident policies** will be taken up and considered. On Wednesday the special fidelity and surety committee of the National Convention of Insurance Commissioners will meet in the same place to consider recommendations, as will the committee on laws and legislation, whose chairman is Superintendent Lemert.

Inquiry is being made by the New York Insurance Department from **casualty companies** to determine what is the practice of the companies in the matter of **reserves on interminable bonds**, such as bonds covering lost checks and destroyed or lost securities which run for an indefinite period. Information is also sought on the question whether surety companies, in providing for the observance of the 10 per cent. limitation on bonds written in New York State, consider reinsurance in a non-admitted company as a reduction of the excess of the 10 per cent. liability limitation.

All arrangements have been made to hold the initial banquet of the **Casualty and Surety Social Club** at the Hotel Astor on December 12. Already 112 acceptances have been received, and it is expected that there will be at least 200 in attendance. At a meeting of the banquet committee held on Monday a sub-committee, consisting of Edmund Dwight, David W. Armstrong, Jr., Chauncey S. S. Miller, Edson S.

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Lott and W. F. Moore, was appointed to make some minor changes in the constitution and bylaws.

Corporate surety bonds should be much more popular in **Missouri** in future, if the proposed law goes through to provide that the bonds of all public officials shall be paid for by the community and not by the official himself. The bonds of administrators of estates are also to be paid for out of the funds of the estate instead of from the fees of the administrator.

There has been some complaint in Chicago over the **credit allowed for** the use of **wired glass windows**, and the classification committee has been instructed to prepare a rule providing credit for openings properly protected that are not now penalized.

The **Massachusetts Accident Company** of Boston will tender a dinner to its agents on Tuesday next at the Quincy House, Boston, to commemorate the twenty-fifth anniversary of the company's founding.

The **Hartford Steam Boiler** and Inspection Company has entered into a three years' contract with the United States Steel Corporation to take charge of its boiler business.

The **People's Surety** of New York has made application for admission to the recently formed Liability Insurance Association.

The **Chicago Plate Glass Company** compact now includes all the companies except the American Fidelity.

The **Ætna Accident and Liability** has begun to write plate glass business in Massachusetts.

Official Reports.

Hawaii Insurance Report.

The amount of business done in Hawaii last year by the various insurance companies is shown in the preliminary report issued by Insurance Commissioner A. J. Campbell:

The fire insurance written by forty-eight companies amounted to $23,270,292; the premiums received, $442,361, and the losses paid, $37,512. The marine insurance written by fifteen companies amounted to $32,022,898; the premiums received, $166,601, and losses paid, $20,805. The life insurance written by thirteen companies amounted to $1,540,752; the premiums received for new business, $55,835, and the renewals, $442,581. Losses and claims paid were $75,910. The insurance in force at the close of the year amounted to $13,745,370 in 4,400 policies. The life companies in the territory are: Equitable, Germania, Manhattan, Mutual, New York, New England Mutual, Pacific Mutual, Prudential, Sun of Canada, Teikoku of Tokio and West Coast. The premiums on miscellaneous insurance written by thirteen companies amounted to $44,683, and the losses paid, $4,281. The premiums on accident and health were $17,119; employers' liability, $7,479; fidelity and surety, $17,972, and plate glass, $1,403.

New Jersey Life Insurance Report.

Part 2, the life and miscellaneous section of the New Jersey Insurance Report, shows 180 companies operating in the State, being an increase of four over last year's report. There are 42 legal reserve life, 6 assessment, 51 fidelity and casualty companies, 6 title and mortgage, also 75 fraternal beneficiary associations. The Quaker City Life, the Standard Life of America and the United States Mutual Life were the legal reserve newcomers The admitted assets of the forty-two legal reserve companies aggregate $2,956,665,432, the increase for the year being $85,932,452. The gain for the year in the combined assets of the New Jersey companies, four in number, was $24,838,257. The ordinary life policies in force show a gain of 7,080 in number and $8,003,673 in amount, while the industrial policies in force have increased 66,085 and the amount of insurance $7,588,871. The premium receipts from fidelity and casualty companies were $7,001,019 greater than in 1906, and the payments for losses and claims were $3,989,679 less. The total amount of premiums received for this business in that State in 1907 was $121,928 larger than the year before and the losses $50,953 greater.

Texas Insurance Report.

A revision of the insurance laws of the State are advocated by Insurance Commissioner Love in his report just submitted to Governor Campbell. He says in regard to this matter:

The present insurance laws of the State are fragmentary and incomplete and, taken as a whole, are inadequate and difficult to understand or apply. They were enacted, for the most part, more than thirty years ago, and have been completely outgrown by the insurance interests of the State. The most practicable way to remedy them is to substitute for all the laws now in force a comprehensive, complete and systematic insurance code. In order to be of benefit such a code need not contain any drastic provisons or effect any violent changes in the laws now in force, but need only to supply the missing links in the present laws and omit many of their incongruous and useless provisions, many of them utterly inapplicable to present conditions or unenforceable.

One of the most important recommendations made by Mr. Love in his report is that the Legislature pass a law requiring that all fire and miscellaneous insurance companies shall annually give a bond with approved sureties in the sum of $50,000 conditioned for the prompt payment of all claims arising and accruing to any person by virtue of any policy issued by such company and of all taxes due the State, and that the company, upon its discontinuing business in this State, will reinsure its outstanding risks in some company authorized to do business in the State.

Mr. Love urges that a regular course of instruction in insurance be provided at the State University and in the higher grades of the public schools.

Communications.

Correction Requested by Contemporary.

Editor of the Weekly Underwriter:

DEAR SIR—In the last issue of the *Insurance Age* an unfortunate typographical error occurred, and as a weekly paper of wide circulation to be issued within a day or two I should be pleased to have a correction published in your columns. In a paragraph relating to the ruling recently secured by President William C. Baldwin, of the Washington Life, from the New York Insurance Department, permitting the company to pay certain dividends, this expression was interpolated, a solid line of linotype being misplaced from another paragraph: "has several times been warned by the post office authori-."

The error is apparent from the context, but I wish to emphasize the fact that there was no intention to publish this expression in connection with President Baldwin of the Washington Life.

Thanking you in advance for giving this correction the wide publicity which your circulation affords, I am,

Yours very truly, GEORGE W. HATCH, Editor.

DECEMBER 3, 1908.

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Miscellany.

THE ASSOCIATION OF LIFE INSURANCE PRESIDENTS —SECOND ANNUAL MEETING.

The second annual meeting of the Association of Life Insurance Presidents was begun in the Assembly Hall of the Metropolitan Building, No. 1 Madison avenue, New York, yesterday, and will be continued today.

The meeting was called to order at 11:15 o'clock by Robert Lynn Cox, who introduced as chairman President Charles A. Peabody, of the Mutual Life of New York.

MEMBERS PRESENT.

The following companies, which are members of the association, were represented as follows:

Ætna Life of Hartford, J. L. English, vice president; Canada Life, George A. Cox, president; Colonial Life of Jersey City, N. J., E. J. Heppenheimer, president; Des Moines Life, C. E. Rawson, president; Equitable Life Assurance Society, Paul Morton, president, W. A. Day, vice president; Franklin Life of Springfield, Ill., Edgar S. Scott, president, Henry Abels, secretary; Fidelity Mutual Life of Philadelphia, L. G. Fouse, president; Germania Life, Cornelius Doremus, president; Home Life, George E. Ide, president; Illinois Life of Chicago, Ill., James W. Stevens, president; Metropolitan Life, Haley Fiske, vice president; George H. Gaston, vice president, James M. Craig, actuary; Mutual Life of New York, C. A. Peabody, president, James McKeen, general counsel, George T. Dexter, second vice president; New York Life, D. P. Kingsley, president, Thomas A. Buckner, vice president, James H. McIntosh, general counsel; Prudential insurance company, John F. Dryden, president, Dr. Leslie D. Ward, vice president, R. V. Lindabury, general counsel, Edward D. Duffield, general solicitor; Security Mutual Life of Binghamton, F. W. Jenkins, president; Travelers of Hartford, S. C. Dunham, president, John B. Lunger, vice president, William Bro Smith, counsel; Union Central Life of Cincinnati, J. R. Clark, president, Paul E. Williams, second vice president; United States Life, Dr. John P. Munn, president; Volunteer State Life of Chattanooga, Tenn., E. B. Craig, vice president.

OUTSIDE COMPANIES PRESENT.

The following companies were represented by their officers:

American Central Life of Indianapolis, W. W. Dark, vice president; Baltimore Life of Baltimore, George W. Pulis, comptroller; Bankers' Life of Des Moines, Mr. Kuhns; Berkshire Life of Pittsfield, James W. Hull, president; Capitol Life of Denver; Central Life of Des Moines, George B. Peake, president; Citizens Life of Louisville, Ky., William H. Gregory, president; Columbia Life of Cincinnati, Dr. Felix G. Cross, president; Columbian National Life of Boston, Arthur E. Childs, president; Confederation Life of Toronto, Ont., W. C. MacDonald, secretary and actuary; Connecticut General Life of Hartford, George E. Bulkeley, secretary; Connecticut Mutual Life of Hartford, John M. Taylor, president; Continental Life of Wilmington, Del., Phillip Burnett, president; Continental Life of Salt Lake City, W. H. Cunningham, general manager; Dominion Life of Waterloo, Canada, Thomas Hilliard, president; Des Moines Life of Des Moines, Ia., C. E. Rawson, president; Economic Life of Philadelphia, Pa., W. W. Ruley, president; Federal Life of Chicago, Isaac Miller Hamilton, president; Indianapolis Life of Indianapolis, Frank P. Manly, president; International Life of St. Louis, P. P. Shaw, vice president; Life insurance company of Virginia, J. G. Walker, president; London & Lancashire Life of Montreal, Canada, B. Hal. Brown, general manager; Manhattan Life of New York; Maryland Life of Baltimore, Wm. H. Blackford, president; Massachusetts Mutual Life of Springfield, Mass., Wm. W. McClinch, president; Meridian Life and Trust of Indianapolis, Arthur Jordan, president; Midland Mutual Life of Columbus, Dr. W. O. Thompson, president, H. B. Arnold, counsel; Midwest Life of Lincoln, Neb., N. Z. Snell, president; Mutual Benefit Life of Newark, Frederick Frelinghuysen, president; Mutual Life Industrial Association, Athens, Ga., John A. Darwin, president; Mutual Life of Baltimore, M. S. Brenan, president; National Life of Toronto, Canada, A. J. Ralston, managing director; National Life of Vermont; Joseph A. De Boer, president; National Life of the U. S. A., Chicago, A. M. Johnson, president; New England Mutual Life of Boston, Alfred D. Foster, president; North American Life of Toronto, Ont., M. J. Goldman, managing director; Northwestern Mutual Life of Milwaukee, Geo. C. Markham, president, J. W. Skinner, vice president, H. W. Norris, superintendent of agencies; Old Colony Life of Chicago, John C. Morse, president; Old Line Bankers' Life of Lincoln, Neb.; W. C. Wilson, president; Penn Mutual Life of Philadelphia, Geo. K. Johnson, president, Lincoln K. Passmore, vice president; Philadelphia Life of Philadelphia, A. J. Maloney, president; Phœnix Mutual Life of Hartford, John M. Holcombe, president; Provident Life and Trust of Philadelphia, A. S. Wing, president, Joseph Ashbrook, vice president; Provident Savings Life of New York, Arthur G. Laugham, president; Prussian Life, United States Department, Wm. C. Scheide, resident manager; Puritan Life of Providence, R. I., Darius L. Goff, president; Reliance Life of Pittsburg, Pa.; Reserve Loan Life of Indianapolis, Chalmers Brown, president; Royal Victoria Life of Montreal, David Burke, general manager; Southern States Life of Atlanta, Ga., Wilmer L. Moore, president; State Mutual Life of Rome, Ga., C. R. Porter, president; Union Life of Toronto, Canada, A. Pollman Evans, president; Union Life of Chicago, E. C. Spinney, president; Union Life of New York city; Eugene Van Schaick, vice president; Union Mutual Life of Portland, Me., Josiah N. Drummond, solicitor; Quaker City Life of Philadelphia, Fred D. Doty, president; North American Life, Newark, N. J., Lee B. Durstine, president.

STATE INSURANCE COMMISSIONERS PRESENT.

The State Insurance Commissioners present were the following: Thomas E. Drake, District of Columbia; E. E. Rittenhouse, Colorado; Joseph Button, Virginia; Otto Kelsey, New York; Benjamin J. Crouse, Maryland; Dr. Geo. W. Marshall, Delaware; T. M. Henry, Mississippi.

CLEVELAND MEMORIAL.

The morning session of Friday was devoted to the commemoration of the public services of the late Grover Cleveland, chairman of the Association of Life Insurance Presidents, and his services to life insurance. Letters of tribute to the late President were read from ex-Vice President Adlai E. Stevenson; David R. Francis, ex-Secretary of the Interior; Judson E. Harmon, Governor-Elect of Ohio; Hilary A. Herbert, who was Secretary of the Navy, and Hoke Smith, who was Secretary of the Interior in the Cleveland cabinet. An address of eulogy was also delivered by President John H. Finley, of the College of the City of New York. He said, in part, as follows:

DR. FINLEY'S ADDRESS.

I have not spoken publicly a word since his death concerning this great man in whose memory we are met, nor should I now if I did not feel that in all I have heard there has not been an adequate appreciation of his last great public service, the one which was at his hands when his mortal illness came upon him. Not that I can with accuracy measure this service either in the labor he gave to it or in the results that have followed. Of these I knew less than many of you. But I do know under what sense of duty he was led to this last labor, with what a high motive he undertook it and with what a devotion he gave himself to it. * *

But admiring this fresh exhibition of his courageous spirit, and having hope of his fierce strength of purpose, I could but approve his decision. And with all my anxiety I felt that no fundamental error or weakness would escape his sight, however intricate the details or complex the machinery. For, beyond any other man I have known, he had an ability to see the essential issues in every question or problem to which he gave his thought. He was not led astray by the accidental and incidental circumstances. He went always straight and quickly to the fundamental facts, and once he found his footing there nothing could stir him. What he saw in this situation was a threatened destruction of the fruits of the providence and thrift of millions of people, and a discouragement of new thrift, not because of the fallacy of the basic principles of life insurance, but because of a doubt and want of confidence that were attacking all because of the faithlessness and selfishness of some. There was a confidence in him—in his honesty—and he could carry that confidence in his own person to the things to which he pledged himself. I do not know that he saw how much he could do. He was honestly modest always. * *

Communities have called to their service the knowledge of scientific men to stay a plague, the training and valor of military leaders to defend them against their enemies, the skill of engineers to overcome some special hostility of nature, but here it was not a special knowledge of the ill, it was not a generalship or mastery of tactics; it was not even a prestige of position, that was brought. It was simply, or chiefly, an honesty—an aggressive, fearless honesty.

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Mr. Gilder in an address a few days ago quoted a lawyer of distinction and experience who had known Mr. Cleveland long and intimately as saying: "He was the honestest man I ever knew." I think that all who had any acquaintance with Mr. Cleveland could say this, too—"the honestest man" we ever knew. * *

It was no passive honesty, his, agnostic of evil; nor was it impulsive. It was the great primal positive virtues, without which there is no courage, no science, no religion, no society. It was homely; its expression often seemed commonplace, as commonplace as the rising of the sun in the east, but it was as dependable as the sun. We shall never be able to estimate the influence of the steady course of this character through fair and clouded skies.

The erratic comet which swept the skies in our boyhood we do not forget. But we cannot remember whether the sun, upon which all earth-life depends, was visible day before yesterday, except as it affected the comfort of our day. And few will appreciate fully the effect of this man's courageous honesty upon the life of the whole people. Was it not its commonplace shining through his years that warmed the hearts and minds of the people to grow the fruits of honesty which he was permitted to see in his age?

In an old volume which I found in his library, "The Proceedings of the Common Council of the City of Buffalo, 1882," I came a few days ago upon his first official communication as mayor. In it were these words: "It seems to me that a successful and faithful administration of the government of our city may be accomplished by constantly bearing in mind that we are the trustees and agents of our fellow citizens, holding their funds in sacred trust, to be expended for their benefit." That was in the dawn of his day. Late in the afternoon of his life he said in the letter which will be memorable in the annals of life insurance: "The character of this business is such that those who manage and direct it are charged with a grave trust for those who necessarily must rely on their fidelity. In those circumstances they have no right to regard the places they hold as ornamental, but rather as positions of work and duty and watchfulness." That was his frequent saying and that was his constant doing.

And as he was, as Mayor, Governor, President, thinking not of his own advantage, true as he was to every private duty, nor even of his party (loyal as he was to that to the very end), but always of the people (whom he regarded with much concern and affection of a patriarch of a great family), the people in whose judgments he had confidence, in whose sorrows he suffered, over whose extravagances and wastefulness he was disturbed; so in this last service he brought his great gift of honesty to the aid not of the insurers primarily, but of the insured—the fifteen million policyholders, a constituency as great as the voting population of this country, the very strength and soul of the nation—the men and women who were working and caring not for themselves alone, but for those near and dear to them as well, laying aside something for their support, their education, their more comfortable living. These were still his people. And I am glad now that whatever he may or may not have accomplished for them and incidentally for the stability of life insurance and for the honor of our country (and this I cannot attempt to appraise though it must have been beyond computing), he had at any rate the satisfaction of doing what he could for them.

PRESIDENT MORTON'S ADDRESS.

President Paul Morton made the principal address, which was an eloquent and touching appreciation of Mr. Cleveland.

Full credit was given to his public career and estimable personal qualities. The following are extracts from Mr. Morton's allusions to Mr. Cleveland's connection with life insurance:

One year ago he was presiding at this convention, and it was at that time that his insurance address so impressed itself on everybody who heard it.

Mr. Cleveland came into the life insurance situation late in life —some years after he had twice been the victorious leader of his party and the Chief Executive of this great nation. At the time he was easily the first citizen of the country.

His advent first as a trustee of the Equitable, and afterward as chairman and general counsel of this association, met with the emphatic approbation of the American public, because every one knew that in no way would Grover Cleveland wink at any wrongdoing, or in any way be connected with mal-administration.

He was a grand old pilot taken on board a very important ship that was in danger among the rocks, and at once all on board were pacified and confidence fully restored.

As chairman of this association he added character, dignity and probity to our cause, and he accepted the position more on account of its being a great public duty than for any other reason. He became intensely interested in the study of life insurance and its benefits, and was greatly impressed with the fact that it is one of the best institutions of civilization.

Mr. Cleveland often referred to the small policyholders, in whom he took the keenest interest, and many times mentioned the unfortunate and sensational publicity that frightened so many of them into surrendering their policies. It was a source of great regret to him that any policyholder who could afford to pay premiums was so unwise as to forego the protection to his family. He frequently talked to me about it, and wished a way might be devised to restore such policies with as little expense as possible to the insured.

In one of his addresses he said: "Life insurance is one of the greatest economical factors in modern life. It is one of the boons of civilization. A policy was made to hold. Let every policyholder think twice before he gives way to the temptation of borrowing on his policy." * * *

In his address at the first annual meeting of this association last year he urged the cultivation of a closer and more intimate relationship between life insurance companies and their policyholders, stating that with fairness and liberality on the part of the companies, and no misunderstanding of what the policies mean on the part of the assured, they ought to be friends with a mutual interest in everything that affects the rights and fair treatment of the company.

He closed his address by asserting his belief that "the management of American life insurance companies was in strong and dutiful hands, and that American life insurance will live to bless our people as long as American civilization will last, and will endure and grow as long as civilized man, while living, takes forethought of the event of death."

After the close of the morning session there was an informal luncheon in the dining-room adjoining the assembly hall, and an opportunity was given to the members and guests present to meet in social intercourse:

CONFERENCE ON TAXATION.

The session of the annual meeting on Friday afternoon was devoted to the reading of papers on the subject of the taxation of life insurance. The following were the proceedings:

MR. COX ON THE OBJECTS OF THE CONFERENCE.

Hon. Robert Lynn Cox, general counsel and manager of the association, addressed the meeting as follows:

This meeting should have been called a convention rather than a conference. It is distinctively a representative body. You meet here as the accredited delegates of about 20,000,000 policyholders. You are not here as confrères concerned with your individual and personal interests, as the term conference might imply. To obtain relief from the inequalities and inequities of present rates and methods of taxation of life insurance is not your personal problem except in so far as you may be policyholders yourselves. Any further concern on your part arises from the duty devolving upon you to look out for the interests of the policyholders you represent.

This meeting is therefore being held mainly to discuss ways and means of bringing legislators and policyholders face to face in dealing with the great burden imposed upon policyholders by legislative hands, that of taxation by the States.

I have been asked to define the objects of this conference and to explain the necessity for co-operation among insurance companies in dealing with the tax problem. If I were to attempt to do this in the fewest possible words I should say that the object is twofold. First, to make certain that we are in possession of all the facts relating to the subject of taxation of life insurance, and that we ourselves thoroughly understand the problems arising from those facts. Second, to see to it that the problem is presented to life insurance policyholders in order that they may be enlisted in an effort to solve the problem.

If these are the primary objects of the conference, then it will follow as a matter of course that the necessity for co-operation is, first, to reach a common understanding among ourselves as to what the problem is, and, second, to make certain that it shall be presented to the policyholders of all companies at the same time in order that they, by co-operative efforts, may act in substantial unity in working out whatever plan may be suggested for obtaining the relief to which they may be entitled.

While this brief statement might answer the question asked of me, I would like to go a step further and suggest several different directions from which the subject of life insurance taxation should be approached.

First, we should look at it in its ratio or relationship to the other elements of cost of insurance. It is desirable therefore in

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discussing the question to give not alone total figures, but, in the interests of a better understanding of what the figures mean, to give them in comparison with other items of cost paid by the policyholder.

Second, we should view it from the broadest standpoint of justice and equity, because it is not in the main a question of how much policyholders have to pay but how does their tax burden compare with the tax burdens imposed upon others who are not policyholders but are engaged in providing for themselves and protecting their families against want and suffering by other methods. And, furthermore, we may well consider to what extent life insurance is entitled to special consideration at the hands of the government as compared with other lines of business in view of its character and purposes and its relationship to social problems.

Third, we should consider the inequalities of the burden of taxation as between policyholders themselves. This question naturally divides itself into two parts. First, inequalities arising from the diversity of residence of policyholders, and second, from the diversity of domicile of companies in which they are insured. By keeping this classification in mind we may better understand perhaps the potency of the various arguments that will be advanced by those who are to discuss the question before us. By having their places allotted in advance, we may perhaps more readily assign the facts to be presented to their positions of relative importance.

We have heard much of the burden of life insurance taxation as expressed in aggregate figures. We know that life insurance —the co-operative sharing of losses caused by the untimely death of productive human beings—is burdened annually for the support of government to the aggregate amount of at least $11,000,000. That this

BURDEN IS BORNE SOLELY BY POLICYHOLDERS

is not so well known nor has it hitherto been seriously considered by policyholders themselves. While expenses of management are very properly, being carefully scrutinized, it may be well to tell those who do not know it that the tax burden nearly equals the salaries paid executive officers, clerks and all others employed in connection with administering the affairs of the companies at their home offices. By virtue of high rates of taxation imposed by the home States, the taxes of some companies considerably exceed their salary expenses. To confirm my statement as to the general average, I have taken the figures of a well known company from each of the States of Connecticut, New York, New Jersey, Massachusetts, Pennsylvania, Ohio and Wisconsin, and find that the taxes paid by these companies in 1907 amounted to more than 83 per cent. of their home office salaries for that year. Their taxes were more than 6 per cent. of the death losses paid during the same year to policyholders. One hundred dollars paid to widows and orphans. Six dollars paid to the State. One hundred dollars paid by the provident to lessen the chances of pauperism. Six dollars paid by them also for the care of those who were pauperized by improvidence. Now it requires no argument to show that insurance premiums must be made large enough to pay for death losses, necessary clerk hire and reasonable executive salaries. Perhaps it is necessary that they should be high enough to cover taxes at the rate now being collected by State and municipalities; but it would seem that this is a question for policyholders to investigate, to consider for themselves and then to discuss with their representatives in State legislatures.

But the magnitude of the burden and how it compares with other elements of cost of life insurance are not the only questions before us. How does the tax imposed upon life insurance compare with that put upon other transactions? What, if any, are its claims for specially favorable treatment at the hands of government? Companies carry on their business by the collection of cash from their policyholders. To the extent that funds are accumulated they are invested almost entirely in evidences of indebtedness, generally consisting of notes, bonds or other promises of the obligor to pay money in return for money borrowed. Tax experts, almost without exception, will tell you that such evidences of indebtedness should not be taxed at all; that a tax upon them constitutes double taxation. Furthermore, taxes upon this kind of property are so generally evaded that the individual or business that pays such taxes is unfairly burdened and in effect is discriminated against. Under existing conditions personal property taxation is a gross injustice unless in each case evasion of payment is permitted to the extent that other holders of similar property are permitted to evade such taxes.

But to argue in the interest of uniformity for an unjust system of taxation and then in the interest of justice for a method of evading payment under it is so inconsistent that we may well dismiss the suggestion with a mere statement of what is involved.

It is urged by some that as long as other kinds of business are taxed on personal property holdings that life insurance should be equally taxed. But is this necessarily so? It is pretty generally recognized that a business which contributes heavily to the expense of government should pay a higher rate of tax than others which do not. It is deemed just that the tax on luxury and extravagance should exceed that imposed upon penury and economy. One of our greatest jurists—Judge Sharswell of Pennsylvania—said more than a half century ago that "It is the duty of government to

ENCOURAGE THE ACCUMULATION OF THE SAVINGS OF INDUSTRY.

The best way to do so is to guard the strong box from the invasion of others and not itself to invade it." That the State has invaded the strong box of life insurance savings cannot be questioned. It has been urged frequently that life insurance is entitled to special exemption because it is not and cannot be a matter of profit to the insured himself; that its unselfish quality serves to distinguish it from the motives which attend the accumulation of other funds. But economists reply that the man who protects his family is entitled to no more favor at the hands of the government than he who seeks to protect himself alone. Conceding for the purposes of the argument that life insurance is not less selfish than any other form of providing against the needs of the future, yet it comes within the definition of Judge Sharswell as an "accumulation of the savings of industry"; it contributes to the wealth, prosperity and happiness of the people, and at the same time tends to decrease the cost of government.

It is a popular fallacy that life insurance is mainly for the rich. Nothing could be further from the truth. The rich man is the only one who can really afford to carry the risk of an untimely death without insuring against the financial loss that would follow from it. The poor man must insure his life if his family is to be protected against the chance of coming to want. In fact the average policy is less than $2,000, and the average policyholder is a man of average income with less than the average accumulation of property. The ratio of insurance carried to accumulated wealth of the insured is much higher among the middle classes than among the wealthy. The millionaire is deemed to be well insured if he carries $100,000 of insurance, while the man of little or no property feels that he must carry insurance to the extent of several thousand dollars at least.

So admitting that the wealthy policyholder should be taxed because he makes of insurance a place to deposit surplus funds, no system of taxation based on the property value of a policy contract can be deemed just unless there be granted in each case an exemption for insurance up to a reasonable amount. Aside from the fact that the business of life insurance is heavily taxed, though of a character entitling it to special governmental favor, the

TAX IS IMPOSED MOST UNEQUALLY BY VARIOUS LOCALITIES.

It is to remedy this condition that we should strive chiefly. Let us look at the facts. Level premium life insurance companies are now taxed by the States of their domicile in almost as many ways as there are States. In some on assets, in others on income from all sources, or from certain sources, on capital stock when they have such, on surplus, on premium receipts within the State, and by franchise and license fees, departmental charges for valuation of policy contracts, etc.

Then again, they are taxed by foreign States for the privilege of exercising their franchise rights in such States, in many different ways and under a wide range of rates. A list of the States and their varying methods of taxing foreign life insurance companies will be appended to this paper. It is sufficient to say here that the rate varies from nothing in one State to 3 per cent. of gross premium collections in another State. It varies in some States from nothing for some companies to 3 per cent. for other companies. The variation in rates paid by over sixty leading companies is shown on a graphic chart submitted herewith. The wide variation in rates paid by different companies results mainly from the operation of what are generally known as retaliatory laws. They provide in effect that the State in which they exist shall tax companies of other States as those States tax its companies. Under such a law in Wisconsin, for example, Connecticut companies are not taxed at all, New York companies are taxed 1 per cent., Iowa companies are taxed 2½ per cent., and Texas companies would be taxed 3 per cent. if doing business in the State.

And while these rates prevail for such companies in Wisconsin the rates paid by the same companies in other States are on a wholly different basis and of different amounts. Would it seem possible for confusion to be worse confounded? Competition and bookkeeping difficulties have prevented the companies from finding a way to do equity between the policyholders of different States by charging premium rates according to the tax rate imposed by their several States. In effect the policyholders of certain companies in certain States are contributing directly to the support of the State government of other States. They are being taxed by legislatures in the selection of which they have no voice. As shown by a recent editorial in a Wisconsin daily paper, the

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life insurance policyholders of one company are paying collectively almost one-half the entire cost of the new Wisconsin State Capitol, though less than 10 per cent. of them are residents of that State.

Perhaps the most discouraging words reported recently are to be found in a letter addressed to the public press by an insurance commissioner, and in the annual report of another commissioner, in which they call attention to the fact that their States, which impose the highest rates of tax upon life insurance companies, are not thereby imposing taxes upon their own citizens but upon those resident in other States. To their minds this seems to afford a complete justification for the rates. Let us assume that even these commissioners would not seek to justify the position taken by their States did they not believe that in some way the excessive burden imposed by their States came out of unconscionable profits of the business rather than from tax-burdened policyholders of other States. It is to be hoped that ere long they will be in harmony with other commissioners who deplore the fact that certain States are seeking to profit at the expense of helpless citizens of other States through excessive taxation of life insurance.

It is not my province to discuss at this time and place the matter of specific remedies. This I have done recently before another body, confessing, as we all must, that no single suggestion can meet all of the varying conditions to be found in different States. My notion is that whatever plan is suggested it must be modified to fit local conditions in every case, keeping in mind always the essential result that taxes shall be reduced, and in a way that will tend toward equalization of burden as between policyholders regardless of where they reside or whether they be insured in a company of one State or another.

But, whatever else may be said, let it be understood that the tax problem is the policyholders' problem, and that nothing can be accomplished in the way of substantial reform except through co-operative efforts of policyholders.

ADDRESS BY PROFESSOR ZARTMAN.

Dr. Lester W. Zartman, of Yale University, addressed the association at considerable length on the need of reform in life insurance taxation. After discussing the proposition that under the existing general prosperity tax system in force in most of the States, some tax ought to be levied on life insurance, he said:

A tax levied on premiums can be defended on one ground only, that of expediency. It is an easy tax to collect, and this is a great consideration in the mind of the administrator. But the system of taxing insurance levying on premiums is an illogical method, the application of which leads to three classes of discriminations:

1. Discrimination between policyholders of different States.
2. Discrimination between different classes of policyholders in the same State.
3. Discrimination between policyholders and non-policyholders.

Before discussing these discriminations it is well that we should understand in unmistakable language who pays the tax on life insurance. Undoubtedly it is the policyholder. This fact is so well understood by those who know the nature of life insurance that no attention would need be given it if there were not so many who do not understand the theory of level premium life insurance. Today level premium life insurance is sold in two ways —by means of participating policies and by means of non-participating policies. In participating insurance, insurance is secured at absolute cost. Whatever increases that cost increases the expense of insurance to the policyholders. Taxes increase the cost of insurance by even more than the amount of the tax, therefore they increase the expense of insurance to the holders of participating policies.

Most policies are of the participating kind, but it can be shown in precisely the same way that the holder of the non-participating policy also pays the tax on insurance. The non-participating policies are sold at a fixed rate. This rate must be high enough to cover all the costs to the company selling such a policy and leave a margin for profit. The margin of profit must remain. In every business where capital is invested there must be some profit, or capital will leave that industry. This is true of non-participating insurance. If the cost of furnishing insurance be increased, the price to the man who wants it must be increased. Decrease the cost and competition between the companies will reduce the price to the policyholder. A tax is one of the costs. An increase in it means higher prices for insurance. A decrease means lower prices. Thus it is that no matter how life insurance is sold the tax upon the business is borne by the policyholders. Having established the fact that

TAXES ON PREMIUMS ARE ULTIMATELY PAID BY THE POLICYHOLDERS,

we are now ready to discuss the discriminations due to the present method of imposing taxes on premiums. The first class of discriminations resulting from taxes levied on premiums is due to the fact that some States levy much heavier premium taxes than other States. Five State legislatures have thought that a tax of 1 per cent. upon gross premiums is the right amount in order to equalize the burden of taxation as between policyholders and non-policyholders in their States. Six other States have thought that 2½ per cent. is necessary to make the burden equal as between its citizens holding policies and those not holding policies.

But how does such a tax work out as between policyholders of different States? A life insurance company does not, it should not, confine its activities to one State. To do so would be bad for the citizens of every State. To do business on such a small scale would increase the expense of insurance, and it would not allow the companies to obtain that wide distribution of risks which is absolutely essential to safety. Therefore we find an insurance company doing business in a large number of States, paying taxes of one-half per cent. in one State for its policyholders upon their premiums and 2 per cent. in others. In theory life insurance ought to cost more in a State levying a tax of 3 per cent. on premiums than in a State levying only 1 per cent. It does not. Why? Because the companies cannot split up their business into forty-eight units and treat each one independently, giving the policyholders in each their just desserts. The practical difficulties of such a course of action are insuperable. It would require the uniform action of all companies in placing the burden of taxation upon the policyholders of a specific State, and such uniform action is impossible.

The business is too intensely competitive to allow of uniform action in such a matter vitally affecting the policyholders. Even if the companies could once agree, they would not be able to prevent this first class of discriminations, as the States levying the high taxes would in all probability pass legislation prohibiting such action. Therefore, notwithstanding the higher tax in one State than in another, life insurance costs the same in all. The companies accept the tax as one of the general costs of the business and apportion it upon all policyholders equally. The result is that premium taxes as they are levied today, high in one State and low in another, force policyholders in one State to help bear the burdens of government in another State. Such a condition of affairs is repugnant to our sense of justice.

In the second place, a tax on premiums discriminates and is unfair in that it does not bear equally upon all policyholders. The theory of the general property tax is that it is levied on individuals according to their ability to pay, ability to pay being measured according to the value of their property interests. A tax of a fixed percentage each year upon the level life insurance premium is a tax levied upon the individual irrespective of his ability to pay. The policyholder who pays $120 as the second renewal premium on a twenty-year term policy, on which a tax of 2 per cent. is levied, is really paying a tax of 10 per cent. upon the value of the equity which he possesses, while the man who is paying in his twentieth renewal premium of $500 on an endowment policy, and is taxed $10, is taxed at the rate of only a fraction of 1 per cent. upon the equity which he possesses. A tax levied in such a way is unjust and unfair.

The third way in which taxes as they are now levied on life insurance are unjust is that they discriminate between policyholders and non-policyholders in the State levying the tax. It has been urged in this paper that under a system of taxation based upon the general property tax insurance ought to be taxed. This is true. But whenever a modification is made in the general property tax affecting non-policyholders, a modification should likewise be made in the tax upon holders of life insurance contracts. This has not been done. In all but four States, if a citizen of a State buys shares of stock in a corporation created by that State, he is exempted from the general property tax upon those shares. If another citizen of the same State, instead of buying the shares directly, buys life insurance and the company purchases the same shares of stock, no exemption is made in the tax which the company directly, and the policyholder indirectly, pays to the State. If an exemption should be made in one case, it should be made in the other. It is not, and in this way the policyholders are discriminated against. Besides resulting in discriminations as just described,

A TAX UPON PREMIUMS IS ILLOGICAL,

that is, if the tax is collected by the State from the companies. If a State decides that premiums must be taxed, it does not follow that it has a right to collect the tax from the insurance companies. The companies have a fixed contract with their policyholders. The annual premium is determined when the contract is made by the company and the State insists that this premium must not be increased no matter how urgent are the needs of the company. When a State levies a tax upon premiums, the life insurance company cannot return the reserve upon its policies in that State to the

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policyholders, thus terminating its contracts, and in this way avoiding the tax. The State demands that the contracts be carried out to the stipulated time and for the amounts previously agreed upon. At the same time, the State assumes the right to exact payments from the companies which may imperil their ability to carry out their contracts. To say that the States probably will not levy such a burdensome tax is not meeting the objection. The right to levy a tax involves the right to levy a heavier one. The situation is illogical. The State cannot consistently rule that the contract must be a fixed contract, and at the same time make it impossible for the companies to carry out their contracts.

The conclusion then is that even under a general property tax system the tax on life insurance premiums cannot be defended. It is unfair as between citizens of the same State, unfair as between different classes of policyholders, unfair as between insurers and non-insurers, and essentially illogical.

Two things can be done. First, abolish the general property tax or modify it in such a way as to abolish its offensive features; or, secondly, if this cannot be done, to levy a tax on life insurance in such a way as to make it fit in properly with the general property tax as it now exists. The better solution would be the first. * * *

How should such a general property tax as has been suggested be levied upon life insurance? That is a practical question for the practical statesman to solve. Two methods may be suggested. First, make the reserve value subject to local assessment just as is an investment outright in securities, or a deposit in a trust company is made subject to local taxation. The objection to this plan is that it would result in much evasion. Of course it would. But if the States are going to hold on to the general property tax system with all its evasions and its glaring irregularities, it is perhaps but fair that the man who invests in life insurance should have the same privilege of evading the tax upon his insurance reserve. This would be taking a step in the wrong direction for tax reform, but if justice can not be done in any other way, it is justice that all shall have an equal chance.

The other method would be to retain the insurance tax as a State tax, and have the companies hand in to the State board of tax commissioners a list of all policyholders in the State, with the values of their reserves. Upon these values, the State could impose a fair tax to be collected directly from the individual policyholders. This would do away with the evasion resulting from local taxation.

What results would be obtained if these suggestions were carried out? It would result in justice as between the policyholders of various States. It is absolutely wrong that the policyholders of one State should be taxed to support the government of another State as is done at the present time, and will continue to be done if the method of taxing assets and premiums is continued. The plan would secure justice as between individual policyholders, something equally to be desired. Lastly, it would result in equalization of the rates of taxation between purchasers of insurance, and other taxpayers. The policyholder pays too much today. He does not object because he does not know how much he is paying. Follow the plan here suggested. Substitute a direct tax for an indirect tax and we can safely leave it to the intelligent body of policyholders to look after their own interest.

IS IT POSSIBLE TO SECURE THIS REFORM

in life insurance, a reform which would do away with discriminations between policyholders of different States, between different classes of policyholders in the same State, and between policyholders and non-insurers? Some say not. They urge that for a legislator to substitute a direct tax for an indirect one would sound his political death knell. It is to be hoped that it would not; that if such a measure were carefully explained to the public that public opinion would be intelligent enough to appreciate the situation.

But if this compromise reform, a reform which means simply the substitution of a direct tax for an indirect tax, involves such a radical change in the existing system of taxation that it stands no chance of being adopted, shall we advocate no reform whatever in insurance taxation? No, if we cannot get a reform through which will eliminate all three classes of discrimination resulting from the premium tax, let us get a reform which will eliminate one of the discriminations. There is one class of discriminations which has been discussed which the policyholders have more than the right to ask the States to eliminate. They have the right to demand that it should be eliminated. Reference is made to the discrimination between policyholders of different States caused by one State levying a tax rate of 2 or 3 per cent. upon premiums, while other States impose less than 1 per cent. Discrimination of this sort can be eliminated by all the States levying as nearly as possible a uniform rate of premium taxation upon all the companies.

Uniformity among the States can be secured in two ways, by the States with a low rate increasing their rates to the level of the high rate States, or by the high rate States lowering their rates. It is much to be desired that uniformity should be obtained through the decrease in rates by the high States. It would be a move in the right direction. Since some reform is better than none, and since it does seem possible at this time to secure this much if nothing further can be secured, let us at least secure uniformity of rates of taxation upon life insurance in the various States.

A brief summary of this extended discussion may not be out of place. It has been maintained

1. That under the existing general property tax system in force in most of the States, some tax ought to be levied on life insurance.
2. That present methods of taxing insurance are unjust.
3. That the best remedy would be for the States to abolish the general property tax, or at least to amend it in such a way as to include only tangible wealth as subject to taxation.
4. That if the general property tax cannot be abolished, substitute for the indirect tax upon the policyholders a direct tax upon them, making the reserve values of policies subject to taxation, not to the company, but to the policyholders directly.
5. That if no other reform can be secured, the policyholders have a right to demand uniform rates of taxation by the various States, uniformity being secured generally by a reduction in the rates of the high tax States.

PRESIDENT DRYDEN ON LIFE INSURANCE TAXATION.

Hon. John F. Dryden, president of the Prudential insurance company, spoke as follows on the problem of life insurance taxation:

Of the many important questions and problems in life insurance administration one of the most serious at this time demanding consideration and public discussion is the unjust and burdensome taxation of life insurance interests. The Association of Life Insurance Presidents performs only a public duty by bringing this matter to public attention. Practical suggestions are urgently needed as to the best methods and means by which a further increase in the tax rate can be effectually resisted, and a material reduction in the existing tax burden secured. In my discussion of the subject I have purposely avoided technical details and theoretical considerations, to emphasize more clearly the intensely practical aspect of the subject as it confronts the administrative officers of American life insurance companies at the present time. Whatever opinion may be held as to where the burden of taxation falls in other matters, there can be no question of doubt as regards life insurance, for there the policyholder, and the policyholder only, pays the tax and carries the burden.

LIFE INSURANCE SHOULD IN THEORY NOT BE TAXED AT ALL.

It requires no lengthy argument to establish the principle, both in morals and economics, that life insurance as an institution making so decidedly for human betterment should not be taxed at all. No reasonable objections, however, can be raised to the taxation of the real property owned by life insurance companies provided it is taxed at the same rate as the property of other commercial institutions. Nor can serious objections be made to reasonable license fees nor to the expenses of an effective system of State supervision, since these in the aggregate do not impose a very heavy burden upon the policyholders. On the other hand, in the case of State supervision the policyholders are benefited by increased security against possible maladministration. The real evil, however, is the excessive taxes on premiums or on reserves, which, constituting as they do, readily apparent evidences of existing wealth, are for that reason most convenient sources of taxation. It is apparently forgotten that one great result achieved by life insurance is the relieving of the State from the possible burden of supporting dependent survivors and dependent poor in old age. No other institution, not even savings banks or building and loan associations, serves so unselfish and laudable a purpose as life insurance. In return for this service to the State, life insurance should be exempted from a large share of the taxes which are now imposed upon the business solely because the accumulations are a matter of record and easily reached by the tax assessor as visible evidence of existing wealth.

A PRACTICAL QUESTION OF ADMINISTRATION.

It would, however, serve no practical purpose at this time to raise the purely academic question as to whether insurance

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should be taxed at all, for the exigencies of governmental policy will continue to demand a fair share of the policyholders' accumulations for general purposes of public taxation. It is useless to strive for the unattainable. The real question then which confronts the administrative officers of life insurance companies is not whether life insurance companies should be taxed at all, but what should be the most practical and equitable method, and what should be the maximum rate consistent with the needs of government. An equitable method and rate having once been established, any future attempt to increase life insurance taxation should be most vigorously opposed.

TO TAX LIFE INSURANCE IS TO PENALIZE THRIFT.

The facts and considerations which I shall present are rather for the purpose of emphasizing an important duty on the part of all administrative officers of life insurance companies. We should enlist public opinion generally, and the co-operation of the policyholders in particular in a determined effort to oppose any further increase in the tax burden already carried by the companies, and as far as possible to secure a material reduction in the rate, more compatible with the high aims and purposes which life insurance serves for the public good. In round figures American legal reserve companies, with a gross premium income of $533,000,000 during 1907, paid in taxes, licenses and fees for State supervision over $11,000,000, or a sum equivalent to 2.1 per cent. of the premium income. In ten years these same companies have paid in taxes of all kinds the enormous sum of nearly $85,000,000, and by just so much the net cost of life insurance in the United States has been increased to the decided detriment of the companies and their policyholders. Insurance itself is a tax, self imposed by prudent and self sacrificing men and women, primarily for the benefit of others, and that so enormous a tax burden should be laid upon the business, practically to penalize thrift in its most desirable form, is evidence that we are as yet far from having made government a science and the protection of the most deserving element of society a serious matter of government concern.

COMPLEX AND BURDENSOME METHODS OF TAXATION.

The general plan of insurance taxation is sufficiently well understood to require no extended discussion to emphasize the practical difficulties which confront the administrative officers of insurance companies. It needs only to be pointed out that every State has its own method, as a rule complex and involved, so increasing the office expenses of the companies in the bookkeeping, auditing, legal and other departments as to add materially to the burden of taxation itself. For the purpose of illustration, however, it may be recalled that while in Massachusetts the general tax is one-fourth of one per cent. on reserves; in Ohio the tax is 2½ per cent. on the gross premium income. less return premiums and reinsurance premiums received from other companies; in Indiana 3 per cent. of the premium income after deducting losses; in the District of Columbia 1½ per cent. after deducting dividends; in Arkansas 2½ per cent. on premiums less losses and commissions, and in New Hampshire, among others, one per cent. on gross receipts. Still more complicated is the method of rendering accounts. For example, the final date for payment varies all the way from January 31, in Kentucky, to November 30, in Massachusetts. Among other suggestive facts mention may be made of the method in Montana, where counties tax excess premiums received over losses and ordinary expenses incurred; in Kentucky, where a tax of 2 per cent. on gross premiums is charged, and an additional tax is levied by certain cities of 1½ per cent. or 2½ per cent. on premiums received on new business; in South Carolina, where quarterly returns are required to be made to the State, showing premium receipts by counties, while in Texas the system is such that most of the large and representative companies have left the State. The mere clerical labor involved in meeting these widely varying requirements is a very considerable item of cost to the policyholders, which is not included in the enormous total previously given.

ECONOMIC AND POLITICAL EXPEDIENCY OF INSURANCE TAXATION.

Changes are made nearly every year in the taxing methods of some State or other, which demand constant vigilance to avoid heavy penalties for failure to comply with mere technicalities. "Each age," as has been well said by a distinguished authority on taxation, "has its own system of public revenue—and ideals of justice in taxation change with the alteration in social conditions." There is therefore hope that in the future the method of insurance taxation will become more uniform and simplified. There is indeed strong encouragement in the effort of this association in co-operation with the insurance commissioners of the different States, with other bodies of underwriters, and most of all through the intelligent and active co-operation of policyholders to bring about such changes as are most conducive to conserve the vital interests at stake. Legislatures in time will realize the serious implication of the words of Chief Justice Marshall, "that the power to tax involves the power to destroy," and that overtaxation of life insurance interests must unquestionably be followed by serious consequences to the people as a whole. Conceding the truth that "good law is not always sound economics," it is equally true that economic and moral principles must in the end govern any rational legislation for the common good. The position which the companies take in this matter is, I think, not opposition to taxation as such, but to overtaxation in a most serious form, which unquestionably is detrimental to the best interests of the policyholders and the public at large.

LIFE INSURANCE TAXATION IN GERMANY.

To make this assertion as clear and concise as possible, and conclusive for the end in view, let us compare the tax burden imposed upon life insurance companies in this country and in Germany, omitting details and dealing only in round numbers with the facts, for which in each case there is official or unquestionably trustworthy private authority, derived from readily accessible sources. I have selected the German Empire for purposes of comparison because its economic and financial conditions are at a decided disadvantage as compared with those of the United States. The problem of meeting ever increasing military, colonial and other expenditures has left that country few sources for additional taxation. It might well be assumed, therefore, that the exigencies of the situation would induce the German Government to exact the largest revenues practicable in the form of taxation from the life insurance companies of the empire. However, according to the official return, in Germany, during 1907, life insurance companies, with an annual premium income of over $120,000,000, paid in taxes of all kinds only about $300,000, or less than one-fourth of 1 per cent. of the premium income! This is a humiliating contrast with American experience. In brief, if the rate of taxation paid by German life insurance companies prevailed in the United States there would be an annual saving to the policyholders of our country of many millions of dollars. Considering the enormous natural resources of this country, its superior economic conditions, the much lighter burdens of military expenditures and pensions, it is greatly to the credit of the German Empire that it should have refrained from drawing, for the purpose of general taxation, upon the funds representing the best evidence of thrift, self sacrifice and self denial which can be exhibited by any people, in any form, at any time.

SUGGESTION FOR A MINIMUM TAX RATE.

Other illustrations could be cited to further emphasize the assertion of overtaxation of life insurance in the United States, in comparison with foreign countries, but it would only be cumulative evidence. Without delaying longer, therefore, I venture to suggest that 1 per cent. of the premium income, in lieu of all other charges except taxes on real estate, would seem to be a maximum for the tax rate on life insurance that should ultimately obtain. Here I realize that theoretically some other basis than premium income might seem to some more nearly ideal. As a matter of fact, however, we must take into account existing conditions. The method of taxing premiums is more firmly established than any other. Less radical changes in present laws will be necessary if this method is to become universal. To secure the adoption of any better plan seems hopeless. A uniform premium tax of not more than 1 per cent. would not be an insupportable burden upon the policyholders. The amount could be readily calculated and easily predicted. It would more than pay the cost of State supervision.

THE MENACE OF INCREASING TAXES.

But it is not only the problem of present over-taxation which confronts the companies—even more of a menace is the constant risk of a further increase in the rate as the result of new statutory requirements. Unfortunately, legislators are apt to proceed upon the theory of an eminent French statesman, "So to pluck the goose as to produce the largest amount of feathers with the least possible amount of squawking." Looking backward over a period of years, it appears that twenty years ago the rate was not much over 1 per cent., and by 1892 it had increased to 1.5 per cent. During the Spanish-American War there was a further rise to 2.0 per cent. in 1898, and 2.2 per cent. in 1899, while during the last two years the rates have been 2.07 per cent. and 2.08 per cent., respectively. The question may well be asked where this increase is to stop and whether there is not a practical certainty that the rate will go up to 2½ per cent. unless the Association of Life Insurance Presidents, in behalf of the policyholders, adopts a definite policy to oppose any and every increase which may be proposed in any one of the different States. Such resistance is a public duty imposed upon the associa-

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tion and upon the companies individually to safeguard the interests of the policyholders, which are otherwise a defenseless prey of ill advised legislation and irrational methods of over-taxation

ATTITUDE OF INSURANCE COMMISSIONERS.

It is an encouraging sign that the subject of life insurance taxation has been taken up by the National Convention of Insurance Commissioners. Their special committee on taxation in its report condemns the taxing of life insurance companies except on real estate owned and for State supervision, and points out that the present premium income tax is discriminatory and excessive. Realizing, however, that as a practical solution of the problem a premium tax of some kind is likely to prevail, they make, among other recommendations, the following: "That the rate of the premium income tax, if one be imposed, shall be fixed by the methods that will give some assurance of equality of the rate with that of other taxpayers." The suggestion I have already made of establishing a uniform premium tax of 1 per cent. is in close agreement with this recommendation.

AN HISTORICAL RETROSPECT.

Every policyholder has a direct personal interest in his tax problem and the value of his aid and co-operation in the efforts of this association to resist any further increase in the rate and to work deliberately for a material reduction cannot be overestimated. Such a reduction in the case of burdensome or unjust taxation is not without precedent. The income tax levied during our great, exhausting Civil War never amounted to more than 2.5 per cent. on gross incomes, or identically the same as the rate of life insurance taxation now exacted by law in certain States. Although the Federal income tax was the immediate result of the greatest war in modern history, it was not permitted to continue a day longer than the needs of the nation absolutely required. The arguments which were then put forward in Congress for its reduction or repeal apply with far greater force and more justice to the reduction or repeal of taxes now imposed upon life insurance premiums. Insurance history is not without precedent for favorable changes in tax legislation, for in times past, when the beneficence of insurance was less clearly realized, taxes were imposed upon fire insurance premiums which were practically prohibitive. In response to a clear presentation of the facts the earlier prevailing tax rate has been reduced and in corresponding proportion the business has increased, to the incalculable benefit of mankind. It is historically true that the very stamp taxes imposed by England upon the American colonies, including stamp taxes upon insurance, were less burdensome, all things considered, than the taxes imposed upon insurance interests at the present time.

PRINCIPLES WHICH SHOULD GOVERN.

It is an accepted canon of taxation, laid down by Adam Smith more than a century ago, that "the subjects of every State ought to contribute toward the support of the Government as nearly as possible in proportion to their respective abilities—that is, in proportion to the revenue which they respectively enjoy under the protection of the State." But the revenue of life insurance companies is not the revenue of corporations for profit making purposes, but the accumulation of a trust fund chiefly for the support of dependent survivors who would otherwise become a charge upon the State. It is another accepted canon of public finance that "taxation should never touch what is necessary for the existence of the contributor," and certainly no argument is required to sustain the contention that life insurance protection is an imperative necessity to safeguard the mass of our people against the humiliating necessity of State or private charitable aid. Life insurance in itself is a voluntary tax, self imposed by the most thrifty element of the nation and for the most commendable objects, and to tax such effort is to hinder thrift and to hinder the development of the finest traits of national life and character. But I am well aware of the practical difficulties which confront life insurance companies in securing radical reforms in taxation. My main object has been to emphasize the facts of the situation and to urge the serious consideration of the subject upon the administrative officers of life insurance companies, and upon earnest and impartial students of insurance methods and their results, but most of all upon the vast body of American policyholders who carry a needless burden of expense from which it is the duty of the State, as far as possible, practically to relieve them.

CONCLUSIONS.

I repeat, that if the German Empire, with its vast burden of military, colonial and other expenditures far in excess of ours, refrains from taxing its life insurance policyholders more than a quarter of 1 per cent. of the premium income there can be no economic or political justification for imposing a tax of 2 per cent. (eight times as much) upon the premium income of American life insurance companies. If the great State of New York, with its numerous State and municipal expenditures of all kinds, refrains from taxing life insurance companies more than 1 per cent. of the gross premium income, I insist that there is no corresponding justification on the part of other States to tax life insurance companies at a higher rate. If the average rate were reduced to one-half of what it is at the present time, and if it were accepted as an established practice in taxation that premium receipts of life insurance companies should under no circumstances be taxed more than 1 per cent., there would at the present time be a saving to the policyholders of about $5,000,000 a year, which would revert to them in the form of larger dividends or a corresponding reduction in premiums.

The problem before us is a practical one. Life insurance is greatly over-taxed. The prospect of securing the general adoption of a perfect system of taxation is too remote for serious consideration. A uniform premium income tax of 1 per cent. would be a practical working basis. It would more than repay the States for their supervision and protection, and would materially decrease the cost of life insurance to the millions of American policyholders.

A paper was read by Robert H. Whitten, Ph.D., librarian and statistician of the New York Public Service Commission. It was a plea for the co-operation of the Association of Life Insurance Presidents with the various efforts being made to collect data for the enlightenment of legislatures. He said: "This association by its investigations and by its collections of scientific data; by its insistence that investigation, thorough and scientific, shall precede legislation, and I trust by lending its influence to a general reform of legislative methods, will prove a most important factor in the attainment of wise and efficient legislation."

A MESSAGE FROM THE SOUTH AND WEST.

Mr. Samuel Bosworth Smith, president of the American Life Convention, and counsel for the Volunteer State Life insurance company, delivered what he termed "A Message from the South and West." He said:

Being aware of the fact that scientific and technical questions of taxation and the practical effect of the excessive taxes imposed by the States upon life insurance and upon the insurance companies will be thoroughly and most ably handled in other papers read before the association, I shall confine my remarks to a few practical suggestions as to the ways and means of accomplishing an end most to be desired, and to the reasons why great difficulties will be met in this accomplishment.

I am asked to address this body as the executive head of the American Life Convention. This organization, brought together something over three years ago by a common interest, has grown from a small nucleus to a body strong in numbers, and with great potential possibilities. In its inception there was one principal bond between the companies. In many other ideas of practical insurance there was great diversity of thought and opinion. During its three years of existence most of its differences have disappeared, and it has thus justified its belief in the fundamental idea that in the basic propositions the interests of life insurance companies are common, and that personal differences on minor questions should be brushed aside in order that united action may be obtained in striving for what is fundamentally essential to the success of life insurance as a whole. Growing from a tentative assembly of fifteen companies three years ago, the American Life Convention now has upon its roll fifty legal reserve life insurance companies chartered in twenty-five different States which extend from the Atlantic to the Pacific, and from the Canadian line to the Gulf of Mexico. And however much the executive officers of these companies may differ in minor details, they have one great common end, to build safe, sound and successful life insurance companies in their respective communities. Much has been said of the diversity of method in the taxation of insurance companies. In addition to the ordinary ad valorem tax, these taxes range all the way from nominal fees sufficient to support the department, up to taxes of 3 per cent. on gross income within the State. It is a noticeable fact that as a broad rule the

TAXES IN THE WEST AND SOUTH ARE EXCESSIVE,

while those in the East and Northeast are moderate. In each instance there are exceptions to this rule, but the exceptions simply serve to accentuate the general proposition. It is natural to ask why this should be so. Several answers suggest themselves. The South, a generation ago, was prostrate. It was reforming its State governments along new lines to meet new conditions.

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Its greatest personal asset had been wiped out by a stroke of the pen backed by a million bayonets. Its real estate was devastated; its cities were deserted; its farms were grown up in thistles, and were without servants to cultivate them. It had upon its hands a population but recently in servitude; one which had been instructed in the domestic arts, but from which book lore had been studiously withheld. The changed conditions made it necessary not only to raise the funds to continue the operation of the State on the old basis, but to educate this new population of freedmen, and to liquidate in some manner a debt imposed by the war and by reconstruction.

Under these circumstances it is not strange that every intangible asset that came in sight was looked upon as a suitable source for a revenue which was absolutely demanded. Naturally, one of the most available and most readily convertible into money of all of these intangible assets was the franchise of the foreign insurance company, and a direct tax upon the income of such companies constituted a revenue doubly acceptable as it seemed to come from the enemy's country.

The West is new. While it has not had the problems of war and desolation which have confronted its sisters in the South, it has had the great problems of civilization and modern development. The average immigrant was and is poor. New communities are, as a rule, formed of those individuals who leave the old centres in order that they may benefit their financial condition. The new communities, both of the South and the West, confronted this proposition. As they grew there came to them the Eastern investor with his mortgages, his railroads, his public utility plants, all of his thousand and one evidences of wealth and prosperity. The new communities, cut off from direct communication or association with the moneyed centres, saw largely the speculator and the adventurer. They saw, or thought they saw, the franchises, the natural wealth of their regions, their opportunities being taken from them by that great power which has come to be known as

WALL STREET.

The small community is self centered. It takes itself seriously; it resents intrusions; it is jealous of its rights; it is suspicious, and probably envious. As time went on these influences, both in the South and West, made the people feel that the aggregated wealth of the East was a common foe; that unless legislated against, all of the money in the country would eventually reach New York, and that any method or system of taxation which could hold part of the increment going from their communities was not only justified but demanded by the exigencies of their situation. As the West and the South had practically no insurance companies of their own, and as, therefore, excessive taxation upon this source of revenue seemed to them to bring back portions of the money paid out by them to the Eastern octopus, they felt not only justified in levying these taxes but believed that they were doing an act of true beneficence to the people of their communities.

While the direct taxes upon insurance companies in New York and New England are small by comparison, yet it must be remembered that for many years New York and most of the New England States have had great insurance companies of their own; that these insurance companies necessarily grow to have great influence both from a personal and educational standpoint, and that while the taxes on premium returns are small, the ad valorem taxes upon funds collected throughout the country are large; that looking at it from this standpoint, doubtless today New York and New England are getting far greater returns from the insurance premiums of the country than are the Southern and Western States which have an excessive taxation upon the premium income.

But it may be said that the South and West are no longer without their own insurance companies, and that the time is past when these taxes upon the policyholder can even be claimed as revenue from the outlander. This is true, and as I see it, it is through the local companies that the remedy must eventually come, but it cannot come through the local companies so long as there exists jealousy and lack of confidence between the officers of the old companies and the new—between, shall I say, the executives of the level reserve companies and those of the preliminary term companies. That this jealousy and lack of confidence does exist there can be no question. That it has reason to exist on both sides there can also be no question. The sin in this regard of the new companies of the South and West has been largely in arousing prejudice against what they are pleased to call the Wall Street companies. That the new company does appeal to local pride and to local sentiment, that it does seek to arouse prejudice and, possibly, passion against the great and wonderful successes of the Eastern States; that this has been accentuated since the Armstrong investigation is doubtless true and is probably not unnatural. These attacks, however, are largely futile except to arouse prejudice—they have been

MET BY THE EASTERN COMPANIES WITH ATTACKS

on the integrity and the solvency of the methods and management of the newer companies. These attacks on the new companies have not been confined to competition in the field, but have been brought on the floor of the various legislatures and have resulted in suicidal legislative fights among the insurance interests.

I am personally inclined to believe that in comparatively few instances are these legislative attacks made at the instigation of the executive officers of the Eastern companies. That they are made by the combined efforts of their general agents and managers is too well known to admit of argument, and it is unbelievable that the executive officers do not know that their representatives in the field are making such attacks. In the past four years there have been introduced, to my personal knowledge, in the legislatures of Tennessee, of Georgia, of Alabama and of Mississippi, bills to prohibit valuation on a preliminary term basis. In each instance these bills have been introduced by the request of the underwriters' associations within the States mentioned and have been backed and pushed personally by the general agents and managers of the level reserve companies of the East. In each instance the introduction of these bills has accomplished but one result; that is, to bring before the committees arguments against what is believed to be a desire on the part of the Eastern companies to monopolize the insurance field. In each instance they have produced impassioned arguments before the committees against the supposed efforts of the old companies to strangle the new; and in each instance all that has been accomplished is to further embitter the legislature against the great insurance companies of the East and to further accentuate the jealousy between the old and the new companies and to lay grounds for the introduction of bills aimed at the local investment of reserve and at the limitation of salaries. As might have been expected, in each instance the home company was easily able to prevent the bills ever having a favorable report.

I have before me as I write the report of the Committee of Fifteen, being the report of the Chicago meeting of February 1 and 2, 1906. With the exception of the report of the committee there is printed in this pamphlet but one paper, and that is an argument presented to the Committee of Fifteen by the Minneapolis Life Underwriters' Association urging the Committee of Fifteen to use its influence against all forms of preliminary term valuation. This report is signed by a committee of five, all, as I understand, agents or managers of the older companies.

According to my information, bills of this nature have been year after year introduced in most, if not all, of the States in which the preliminary term companies operate, and have, in almost every instance, been introduced by the representatives of the level premium companies.

My attention was called not long since to a confidential circular sent out by an executive head of one of the great companies of this organization, instructing its agents to use arguments against the organization of new companies and listing by name certain of the new companies of the country which had reduced their capital stock as an argument to be used to show that new companies did not pay, were not a good investment to the stockholder, and, of course, inferentially, were not good companies for the policyholder. Many other instances of the same character might be cited, but all that I desire to do is to call the attention of this association to the fact that

WE ARE FIGHTING AMONG OURSELVES,

and that a house divided against itself cannot stand. That the insurance interests have been able to stand such internal bickerings and personal attacks is an evidence of their inherent stability. If the older banks of the community should attack every new banking institution and question its solvency, or if the younger banks should question the integrity of the management of the older, faith in banking would be shaken to its foundation, and in time of panic money would be withdrawn and hoarded to a degree that would spell ruin.

We must have united action if we desire results. To point to a concrete instance of this fact, I will call your attention to the legislation in Tennessee and in Texas in 1907. In Tennessee a bill was introduced with the backing of an intelligent, honorable and fearless insurance commissioner who had just been re-elected to his office by the Legislature, by which a measure was to be passed requiring insurance companies doing business in the State to maintain 75 per cent. of the reserves on business in the State in State investments. There was but one local company in the State at the time. This company was striving for legislation which it thought would be for the benefit of the insurance inter-

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ests in general. As a temporary proposition the 75 per cent. law would, doubtless, have been of great value to the company, but in the opinion of the managers of the company the law was inherently wrong. The officers of the company, therefore, left no stone unturned to defeat the measure and the measure was defeated. At the time it was a conceded fact that had the local company joined forces with the insurance commissioner the act would have passed and would have become a law, and the home company was subjected to some criticism because of its attitude in the matter.

On the other hand, when the Robertson bill came before the Texas Legislature the local companies of Texas threw their strength with the Insurance Department and demanded the passage of the bill. Despite every effort of the foreign companies, most ably represented, the act was passed, and most of the companies of this association felt it incumbent upon them to withdraw from the State of Texas. Had there been harmony and co-operation on the part of the local companies with the foreign companies, and had it been the desire of the local companies that this bill should have been killed, there can be no question but that it would have been killed.

While the companies of the West and South recognize the inherent iniquity of the tax on life insurance premiums and desire earnestly that the wrong should be righted, yet at this time the matter is not so vital with most of them as it is with the larger companies. The premium income from the individual States is small by comparison; in most of the States the home company is exempted from this form of taxation, and as most of the companies do business in a restricted number of States, and as a very large per cent. of their business comes from the home State, the total per cent. of tax is very much less than in the case of the great Eastern companies; those companies which are so large that the income even from the home State must be small in proportion to the total income of the companies. The Southern and Western companies, while they desire to co-operate and to use their best endeavors to have this wrong righted, still feel that there is other legislation introduced and threatened from time to time which is more dangerous to them than the continued existence of even an excessive tax. They must be relieved of the fear of this class of legislation; they must be relieved of the fear of hostile attacks from their elder sisters before they can devote themselves untrammeled to the destruction of this wrong. My conclusion from the conditions as I see them is that the

COMPANIES OF THE COUNTRY MUST STAND TOGETHER;

that we must all cease in our efforts to undermine each other; that we must make the people feel renewed confidence in life insurance as a whole, and must not strive to question the integrity of each other.

Under any circumstances the practical accomplishment of tax reform is a serious one. The insurance taxes have come to take a recognized place in the revenue of the States. At the present moment there is sweeping over the country a wave of prohibition and liquor restriction; everywhere the curtailment of the saloon is reducing the revenue. This revenue must be replaced somewhere, and it is going to be a difficult proposition to show the people at this time that the insurance tax can be reduced. Their natural tendency will rather be to raise it. Take, for example, my own State of Tennessee. The total income of the Insurance Department from premium tax and licenses amounts to something like 10 per cent. of the total income of the State from all sources. In Georgia and Alabama, while the tax on income is not so large as in Tennessee, it is not exclusive of all other taxes and the towns and counties of the State derive considerable revenue from direct taxation on agents and companies which is "like money from home," and it will be difficult to persuade them that the tax is not laid on a very deserving subject—deserving, I mean, of taxation.

I believe that an educational campaign should be instituted in the high tax States; that every policyholder in these States should receive endless communications in terse and catchy form directly calling his attention to the fact that he, and not the company, pays the tax; that it would be well if the revenue laws of the States could be investigated so that at the same time that our policyholders are asking the legislatures to reduce these taxes, we can suggest some fair and honorable method of replacing the revenue which will thus be taken from treasuries not now too plethoric.

While I admit that there has been jealousy, fear and suspicion on the part of many of the companies which form the organization of which I have the honor to be the president toward members of the Presidents' Association, I think that this feeling has been largely justified, and that the members of our organization

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at heart have only the success of life insurance in general as their aim. I believe that they

DESIRE TO CO-OPERATE WITH THE EASTERN COMPANIES

in accomplishing needed reforms. I believe that our organization feels as strongly as you do that life insurance demands careful investigation and publicity, and beyond that should be permitted to have a free rein, untrammeled by unnecessary laws and restrictions, unhampered by unjust taxation and discrimination. My cry is now, as it has always been, for harmony. The little company which I represent is seeking to know no North, no South, no East and no West; is seeking to do legitimate life insurance on a legitimate plan; is seeking to be let alone; to be allowed to work out its destiny without unfair opposition either from the Legislature or from its sister companies; it has demonstrated its sincerity in aiding the destruction of bills which would not affect it, but would affect its colleagues, and which it considered unfair and unjust. The American Life Convention, as a convention, feels I know the same way. We wish co-operation, not antagonism; we wish legal reserve life insurance to stand together as a whole; to fight together bills that can harm the companies or any of them, and which will not benefit the policyholder; to face the world with a solid front and to come before our lawmaking bodies as one and not as many. If we do this, and if we ask for only that which is right, in time we will get it. I firmly believe that the legislators in that section of the country with which I am particularly acquainted are honest; that they really desire to do what is right and want to be told what is right. They are easily prejudiced; their antagonism and antipathies are readily aroused, but if they are properly approached, honestly and openly; if their reason and their innate sense of justice is appealed to, sooner or later they will do what is right. But if, as has been the case in the past, the insurance interests bring controversies into the legislative halls; if there are charges and counter charges; if the insurance interests cannot themselves decide on what they want or what is right, then we can rest assured that no obnoxious laws will be repealed and no beneficent laws will be placed upon the statute books.

Let us, then, honestly, openly and fairly discuss our differences face to face; let us reach a common end, and let us advance with an unbroken front. Let us strive to inspire confidence in each other, and then we can inspire confidence in the enemy. If we do this local companies, backed by the moral force of the foreign companies, can eventually accomplish what we all desire; without it, with the local companies antagonized, it will be found absolutely impossible to accomplish that which we all admit to be essential.

At the conclusion of Mr. Smith's paper the association adjourned until today, when there will be a general discussion of the problems of taxation, in which representatives of the companies and other persons interested in the subject will speak. The adjourned meeting will be held at the same place, the Assembly Room of the Metropolitan Building.

BUSINESS MEETING OF ASSOCIATION.

The formal business meeting of the Association of Life Insurance Presidents was held immediately preceding the public meeting yesterday. Mr. Cox, general counsel and manager of the association, presented the financial report for the year just ending It showed the entire cost of the association to the companies constituting its membership to have been $39.41 per each million dollars of assets held by these companies. As the companies have outstanding policies to the number of nearly 20,000,000, the expense of the association to each policy on the average was about four-tenths of 1 cent. The Washington Life of New York applied for and was admitted to membership in the association.

Mr. Robert Lynn Cox, general counsel and manager of the association, was re-elected to that position for the ensuing year. The executive committee, consisting of T. A. Buckner, vice president of the New York Life; S. C. Dunham, president of

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the Travelers of Hartford; Haley Fiske, vice president of the Metropolitan Life; L. G. Fouse, president of the Fidelity Mutual Life of Philadelphia; George E. Ide, president of the Home Life; Paul Morton, president of the Equitable Life Assurance Society; Charles A. Peabody, president of the Mutual Life of New York, was also re-elected.

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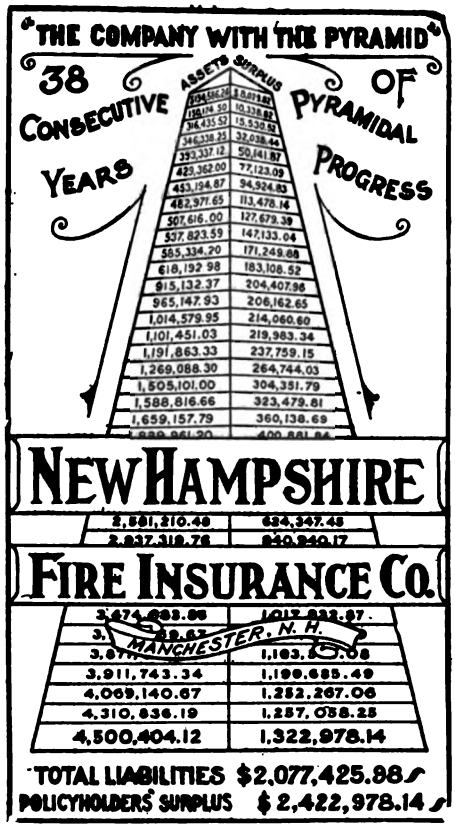

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THIRTY-ONE DAYS' GRACE IN PAYING PREMIUMS

MOST ADVANCED NON-FORFEITURE FEATURES

NO RESTRICTIONS AS TO RESIDENCE, TRAVEL OR OCCUPATION

Besides combining in one contract all the best features of all the best life insurance policies, the benefits of the NEW POLICIES of the ÆTNA LIFE are available to first-class risks if the insured becomes

TOTALLY AND PERMANENTLY DISABLED

Agents are wanted to work in both new and old fields selling these policies. For further particulars address the Home Office of the ÆTNA LIFE at Hartford, Conn.

Northern Assurance Company,

OF LONDON, ENGLAND.

EASTERN AND SOUTHERN DEPARTMENTS,

38 PINE STREET, NEW YORK.

GEORGE W. BABB, Jr., Manager. T. A. RALSTON, Sub-Manager.

SURETY ON BONDS

Home Office Building, New York.

American Surety Company of New York

100 Broadway, - New York

Capital, $2,500,000

Bonds issued for Employees, Administrators, Guardians, and in Judicial Proceedings.

STATEMENT DECEMBER 31, 1907.

Resources (including Capital, $2,500,000)..... $6,365,342.47
Liabilities (including Reserve, $1,126,946.11).... 1,746,329.08

HENRY D. LYMAN, *President*. W. S. JOHNSTON, *Vice-President*

THE

Union Central

Life Insurance Company of Cincinnati

ESTABLISHED 1867

Has the following unrivaled points of superiority which make its policies easier to sell than those of any other company: Highest rate of interest earned, low death rate, low expense rate—resulting in lowest cost to policyholders. Its new 1908 policies are simple in verbiage and most liberal in provisions. THE UNION CENTRAL has no investments in stocks or bonds.

JESSE R. CLARK, President. E. P. MARSHALL, Vice-President

THE

METROPOLITAN CASUALTY

INSURANCE CO. OF NEW YORK

Home Office, - 47 CEDAR STREET

CHARTERED 1874

PLATE GLASS
PERSONAL ACCIDENT **POLICIES**
AND HEALTH
OF THE MOST APPROVED FORMS

EUGENE H. WINSLOW, President

DANIEL D. WHITNEY, Vice-Pres't S. WM. BURTON, Sec'y
ALONZO G. BROOKS, Ass't Sec'y

RELIABLE AND ENERGETIC AGENTS WANTED

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That New Policy

AND THOSE NEW RATES AND VALUES

turn prospectives into policyholders. Highly liberal policy and values, extremely low premium rates, notable annual dividend record.

MASSACHUSETTS MUTUAL LIFE INSURANCE CO.

SPRINGFIELD, MASS.

INCORPORATED 1851

F. W. SMALLMAN, Manager of Agents for New York City, 1401 Empire Building.

INCORPORATED 1851.

Berkshire Life Insurance Company

OF PITTSFIELD, MASS.

All Policies issued by the Company are subject to the Massachusetts Non-Forfeiture Law.

JAMES W. HULL, Pres. J. M. LEE, Actuary.
THEO. L. ALLEN, Sec. ROBT. H. DAVENPORT, Asst. Sec.

Agencies in all the principal cities of the United States.

Established 1782.

Phoenix Assurance Company, Ltd.,

OF LONDON.

FIRE INSURANCE ONLY. LOSSES PAID, OVER $135,000,000.
Head Office for the United States, 47 Cedar St., N. Y.
A. D. IRVING, Manager · LOUIS P. BAYARD, Asst. Manager
A. D. IRVING, JR., Sec.

Accident INSURANCE Health

CONTINENTAL CASUALTY COMPANY

CHICAGO, ILLINOIS

The Largest Company in America Writing Accident and Health Insurance only

More and better forms of accident and health policies, issued separately or in combination, than are sold by any other company, including the latest popular winner ANNUITY ACCIDENT INSURANCE

If not now representing an accident company, address:
H. G. B. ALEXANDER, President and General Manager.
1208 Michigan Avenue, CHICAGO, ILL.

North British & Mercantile

INSURANCE COMPANY,

OF LONDON AND EDINBURGH.

Established 1809.

OFFICE:

76 WILLIAM STREET,

New York City.

COMMERCIAL UNION ASSURANCE CO.

LIMITED,

OF LONDON.

OFFICE:

Cor. Pine & William Sts., New York.

WANTED

BY

The Manhattan Life

Insurance Co.

Live, energetic men for some excellent territory. Exclusive and liberal contracts will be made with the proper parties.

The Armstrong Committee found no questionable methods in The Manhattan Life Insurance Company.

Address

W. B. LANE, Vice-Pres.

66 BROADWAY, NEW YORK

SUN

Insurance Office OF LONDON

FOUNDED 1710

UNITED STATES BRANCH:

54 PINE STREET, NEW YORK

WESTERN DEPARTMENT:
171 LA SALLE ST., CHICAGO

PACIFIC DEPARTMENT:
N. E. Cor. Sansome and Sacramento Sts.
SAN FRANCISCO, CAL.

BRITISH AMERICA ASSURANCE CO., INCORPORATED 1833.

FIRE AND MARINE. Head Office: TORONTO, CANADA.

UNITED STATES BRANCH.

JANUARY 1, 1908

Assets	1,545,432.69
Liabilities	1,063,661.55
Net Surplus	$481,771.14

HON. GEO. A. COX, President. W. R. BROCK, Vice President.
W. B. MEIKLE, General Manager.

Head Office for the United States:

57 and 59

William Street,

NEW YORK.

A. G. McIlwaine, Jr., Manager.

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HOME OFFICE OF THE

Metropolitan Life Insurance Co.

INCORPORATED BY THE STATE OF NEW YORK

The Company OF the People, BY the People, FOR the People.

PROOF OF PUBLIC CONFIDENCE

This company has more premium paying business in force in the United States than any other Company, and for each of the last 14 years has had more New Insurances accepted and issued in America than any other Company.

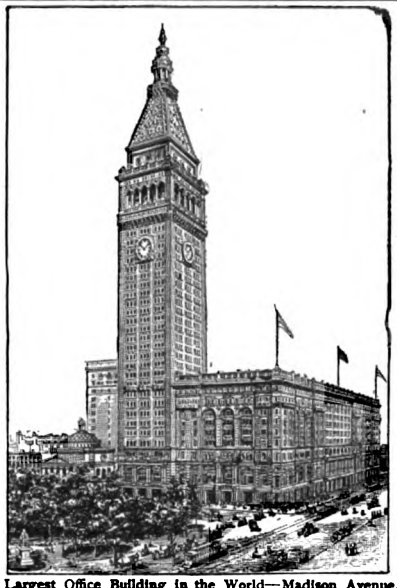
The number of Policies in force is greater than that of any other Company in America, greater than all the Regular Life Insurance Companies put together (less one), and can only be appreciated by comparison. It is a greater number than the Combined Population of Greater York, Chicago, Philadelphia, Boston, St. Louis, Cleveland, Cincinnati and Milwaukee.

ASSETS.

United States, City and R. R. Bonds and Stocks	$81,500,727.38
Bonds and Mortgages	74,620,197.45
Real Estate	19,905,683.43
Cash	5,258,969.45
Demand Loans on Collateral	3,476,500.00
Loans to Policyholders	6,552,375.12
Prem. deferred and in course of collection (net)	4,772,106.25
Accrued Int., Rents, etc	2,233,904.15
Total	$198,320,463.23

LIABILITIES.

Reinsurance Fund and Special Reserves	$181,775,579.00
All other Liabilities	1,542,371.65
Capital and Surplus	13,951,899.14
Total	$198,320,463.23



Largest Office Building in the World—Madison Avenue, Fourth Avenue, 23d Street and 24th Street, New York City.

SIGNIFICANT FACTS

This Company's Policy-claims paid in 1907 averaged in number one for every 64 seconds of each business day of 8 hours each and in amount $124.95 a minute the year through.

THE DAILY AVERAGE OF THE COMPANY'S BUSINESS DURING 1907:

452 per day in number of Claims Paid.
6,391 per day in number of Policies placed and paid for.
$1,239,393.45 per day in New Insurance placed and paid for.
$162,489.27 per day in Payments to Policyholders and addition to Reserve.
$72,011.34 per day in Increase of Assets.

OFFICERS

JOHN R. HEGEMAN	President
HALEY FISKE	Vice President
GEORGE H. GASTON	2d Vice President
GEORGE B. WOODWARD	3d Vice President
FRANK O. AYRES	4th Vice President
JAMES M. CRAIG	Actuary
FREDERICK H. ECKER	Treasurer
WALTER STABLER	Comptroller
JAMES S. ROBERTS	Secretary
JOHN R. HEGEMAN, Jr.	Asst. Secretary
J. J. THOMPSON	Assistant Secretary
T. R. RICHARDSON	Assistant Secretary
F. F. TAYLOR	Assistant Secretary
FREDERICK A. BETTS	Assistant Secretary
STEWART L. WOODFORD	Counsel
THOMAS H. WILLARD, M. D.	Med. Direct.
AUGUSTUS S. KNIGHT, M. D.	Med. Direct.
W. S. MANNERS, M. D.	Asst. Med. Director
E. M. HOLDEN, M. D.	Asst. Med. Director
I. J. CAHEN	Manager Ordinary Dept.

Paid to Policyholders since Organization, plus the Amount now invested for their Security, $407,462,482.06.
Number of Policies in Force, 9,620,009. Amount of Outstanding Insurance, $1,804,946,581.00.

In its Ordinary Department policies are issued for from $1,000 to $1,000,000 on individual lives, premiums payable annually, semi-annually and quarterly. In its Industrial Department policies are issued on all the insurable members of the family for weekly premiums.

Full particulars regarding the plans of the Metropolitan may be obtained at its Home Office, 1 Madison Ave., New York City, or of its Agents in all the principal cities of the United States and Canada.

THE Fidelity and Casualty Company,

97-103 CEDAR STREET, NEW YORK CITY.

Assets, $7,537,429.91.

Capital and Surplus, $2,013,400.24.

Losses Paid to January 1, 1908, $26,629,131.90.

This Company grants Insurances as follows:

Bonds of Suretyship for persons in positions of trust,
Fidelity Bonds, Burglary, Plate Glass,
Steam Boiler, Flywheel, Employers',
Public, Teams, Workmen's Collective,
Elevator and General Liability;
Personal Accident, Health
Physicians' Liability and
Bonded Attorneys' List.

OFFICERS:

GEORGE F. SEWARD, President.
ROBERT J. HILLAS, Vice-President and Secretary.
HENRY CROSSLEY, Assistant Secretary.
FRANK E. LAW, Second Assistant Secretary.
GEORGE W. ALLEN, Third Assistant Secretary.

NATIONAL LIFE INSURANCE CO.

of the United States of America.

CHICAGO

ESTABLISHED 1868

ALBERT M. JOHNSON, President
ROBERT E. SACKETT, Vice-President
CHARLES B. SHEDD, Treasurer
ROBERT D. LAY, Secretary

RECORD OF 1907

Insurance in Force December 31st.	$50,066,932.77
Gain in Apportioned Surplus in 1907,	105,734.09
Gain in Assets.	1,037,668.19
Excess of Income over Disbursements,	1,093,023.43

CHICAGO'S OLDEST AND SRTONGEST COMPANY

FIRE ASSOCIATION

1817 OF PHILADELPHIA 1908

Total Assets,	$7,840,675.19
Capital Stock,	750,000.00
Net Surplus,	1,804,021.58

E. C. IRVIN, President.
T. H. CONDERMAN, Vice-President.

F A

New York City Department
KELLY & FULLER, Agents
92 William Street, New York City

Boston Department
JOHN C. PAIGE & CO., Agents
65 Kilby Street, Boston, Mass.

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Mutual Life Policies

ARE EASIEST TO SELL

BECAUSE

Yearly dividends have been increased for the last three years, 1906-7-8, at a rate equaled by no other company.
Cash values guaranteed in the new life and endowment policies are equaled by few companies.
Attractive features have been added to standard policy forms.
Liberal terms offered producing agents under the 1908 contracts.

For information, address

GEORGE T. DEXTER
Second Vice-President
The Mutual Life Ins. Co. of New York
34 Nassau Street, New York, N. Y.

1860 48TH YEAR 1908

HOME LIFE INSURANCE COMPANY

OF NEW YORK.

GEORGE E. IDE, President

ASSETS, $20,004,853.63. LIABILITIES, $19,235,418.20.
(Including Dividend-Endowment Fund)

Dividend-Endowment Fund (Deferred Dividends)	$1,795,020.00
Net Surplus	769,435.43
Insurance in Force	86,193,296.87

The forty-eighth annual report shows a gain in the amount of insurance in force; that assets were increased nearly $1,000,000, and that over $300,000 was paid to policyholders in dividends.

The Connecticut Mutual Life Insurance Company

Stands alone among the American companies of any note, in having repaid to its members, their beneficiaries and estates, in annuities, endowments, death claims, surrender values and dividends, more than it has received from them in premiums. These are the totals:

Received since organization—1846	$249,356,745.45
Repaid as above noted	253,641,382.54
Excess over amount received	4,284,637.09
Assets December 31, 1907	65,003,271.10
Surplus December 31, 1907	2,326,657.25
Insurance in force December 31, 1907	174,716,005.00

President, JOHN M. TAYLOR.

1825. THE 1908.

Pennsylvania Fire Insurance Co.

OF PHILADELPHIA.

Cash Capital	$750,000.00
Reinsurance and all Liabilities	4,096,883.14
Surplus	1,615,283.97
Total January 1, 1908	$6,462,117.11

R. DALE BENSON, Pres. W. GARDNER CROWELL, Sec.
JOHN L. THOMSON, Vice-Pres. HAMPTON L. WARNER, Asst. Sec.
WM. J. DAWSON, Sec. Agency Dept.

GERMANIA

FIRE INSURANCE COMPANY
NEW YORK.
ORGANIZED 1859.

Cash Capital	$1,000,000.00
Assets	5,185,649.51
Net Surplus	949,260.99

HEAD OFFICE
Cor. William and Cedar Streets.

[FIRE]

German American Insurance Company New York

STATEMENT JANUARY 1, 1908

CAPITAL
$1,500,000
RESERVED FOR ALL OTHER LIABILITIES
7,592,685
NET SURPLUS
4,415,353
ASSETS
13,508,038

FIREMEN'S

Insurance Company of Newark, N. J.

ORGANIZED 1855

CAPITAL,	$1,000,000.00
ASSETS,	4,701,068.80
SURPLUS TO POLICYHOLDERS,	3,148,371.45

DANIEL H. DUNHAM, President CHARLES COLYER, Vice-President
A. H. HASSINGER, Secretary

WHITON & MERGES, Agents, . . 73 William Street, New York
LEWIS & FREAR, Agents, . . . 145 Montague Street, Brooklyn
H. W. BEALS, Suburban Agent, . 76 William Street, New York

Insurance Co. of North America,

232 WALNUT STREET, PHILADELPHIA.
FOUNDED 1792.

Assets, January 1, 1907		$10,748,864
LIABILITIES—Reserved for Reinsurance and all other claims	$6,705,870	
Capital Stock	3,000,000	
Surplus over all Liabilities	1,042,994	$10,748,864

Agents in all the principal towns and cities.

CHARLES PLATT, President.
EUGENE L. ELLISON, Vice-President. BENJAMIN RUSH, Second Vice-President.
GREVILLE E. FRYER, Secretary and Treasurer. T. HOUARD WRIGHT, Assistant Secretary.
HENRY W. FARNUM, Marine Secretary. JOHN O. PLATT, Assistant Secretary.
Offices in New York: Fire, 51 William St.; Marine, 63 Wall St.

THE

Empire State Surety Co.

Executive Office: 84 William St., New York.
192 Montague St., Brooklyn.

General Surety Bonds Plate Glass
Liability Burglary
Boiler
Personal Accident and Health Insurance

OFFICERS:

WILLIAM M. TOMLINS, JR., . . . *President*
Moses May, . . } *Vice-Presidents*
Willard P. Reid, }
Walter J. Moore, }
R S Keeler, M.D. }
Daniel Stewart, . . *Secretary*
Alfred J. Hodson, . *Ass't Sec'y*
Warrel S. Pangborn, . *Treasurer*
Hugo Hirsh, . *General Counsel*

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THE

PENN MUTUAL LIFE

OF PHILADELPHIA

HAS FURNISHED

PERFECT PROTECTION AT PROPER RATES

For 60 Years

Our agents are representative citizens of their respective communities.

Provident Life and Trust Co.

OF PHILADELPHIA.

The **new policies** of the Provident are unsurpassed for conciseness and simplicity of form and for adaptability and liberality in all essentials.

The premium rates of the Provident are exceedingly low and are still further reduced by large annual dividends.

PHENIX INSURANCE COMPANY

OF BROOKLYN, N. Y.

NEW YORK OFFICE:

68 WILLIAM STREET.

The Preferred Accident Insurance Company

of New York

SUPERIOR POLICIES

KIMBALL C. ATWOOD, President,

290-292 Broadway, New York.

Organized 1871

Life Insurance Company of Virginia

HOME OFFICE, RICHMOND, VIRGINIA

J. G. WALKER, President.

T. WM. PEMBERTON, 1st Vice-Pres. W. L. T. ROGERSON, Secretary.

The PIONEER Southern Industrial Life Insurance Company.
The OLDEST Southern Life Insurance Company.
The LARGEST Southern Life Insurance Company.
The most approved forms of Life, Endowment and Industrial Policies issued on favorable terms.

Assets	OVER	$4,000,000.00
Insurance in force	OVER	$61,000,000.00
Total payments to policyholders since organization	OVER	$8,500,000.00

ONLY THE MAN

with a Columbian National License may sell

Massachusetts Non-participating Life,

Massachusetts Accident, Health and Disability

Liberal Policies backed by a Large Surplus

We want high grade men—General Agents, City Managers and District Managers. Save time by writing fully.

THE COLUMBIAN NATIONAL LIFE INSURANCE CO.

Home Office: 150 Federal St., Boston, Mass.

CHARTERED 1866.

HARTFORD LIFE

Insurance Company of Connecticut

GEO. E. KEENEY, President.

ALL THAT IS BEST IN LIFE CONTRACTS

EITHER TO BUY OR SELL

$30,000,000 Paid Policyholders and their Beneficiaries.

NOTICE

Insurance Losses and Claims for Damages amicably and satisfactorily Adjusted. Otherwise resisted, defended at Law or in Equity for Companies by

T. F. HANLON

ADJUSTER AND ATTORNEY

BALTIMORE, MD. CALVERT BLDG.

WASHINGTON, D. C. COLORADO BLDG.

(Address Washington. 'Phone: Main 7132).

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Graduate School of
Business Administration.

The Weekly Underwriter:

AN INSURANCE NEWSPAPER.

ESTABLISHED 1859.

VOL. LXXIX. NEW YORK, SATURDAY, DECEMBER 12, 1908. No. 24.

Published every Saturday by the Underwriter Printing and Publishing Company.

Subscription price: Five Dollars per annum in advance.

All communications should be addressed to THE WEEKLY UNDERWRITER, 58 William Street, New York.

Checks and money orders should be made payable to the order of THE WEEKLY UNDERWRITER.

Entered at the New York, N. Y., Post Office as second class matter.

CHARLES A. JENNEY, President and Treasurer. L. ALEXANDER MACK, Secretary.

"LET us conserve the foundations of our prosperity" is the sentiment adopted by the National Conservation Commission, which has been appointed by the President to "consider questions relating to the conservation of the natural resources of the country and to co-operate with similar bodies which may be designated by the several States." The Commission directed its attention to the waste of our natural resources by the squandering of our water supply, the destruction by wanton cutting and burning of our forests, the unproductive methods of cultivating our lands and the imprudent drainings of our stock of coal and other minerals. It is a rather remarkable circumstance that the Commission appears to have overlooked in the preliminary organization of its work a fifth superlative cause of national waste; the extinction of general property values by fire. The oversight has been recognized in a communication addressed by the chairman of the Commission to the National Board of Fire Underwriters, inviting that body to take part in the conference. We comment on the response of the special committee appointed by the Board to accept the invitation and to point out the importance of the waste by fire as a factor in the unnecessary dissipation of our resources. The committee states that in the past ten years over two thousand million dollars' worth of created wealth has been burned up. This is an absolute loss. That it is not popularly thought of in that light, and its gravity is therefore not emphasized, is due to the inconsiderate idea that fire insurance restores values, whereas it only shifts the distribution of loss. The National Conservation Commission does not, we assume, share in that delusion; but its active attention has not been too soon awakened to the importance of this fifth agent of destructiveness and to the great work of the National Board and the fire underwriters in seeking to limit it.

THE reply of Governor Hughes to the Chamber of Commerce was what was to be expected. It is the opinion of the great business interests of New York embodied in the chamber, based upon the report of its committee on insurance, composed in part of such enlightened underwriters as President Raven, of the Atlantic Mutual Marine; President Ide, of the Home Life; President Evans, of the Continental, and President Snow, of the Home insurance companies, that it seems necessary to amend "to the advantage of the interests involved" the present insurance law, which "was adopted at a time when the emergency seemed to necessitate prompt action, and it was impossible to consider with due deliberation all the effects." The Governor is of a different opinion. He is quite superior to the collective wisdom of the business men of New York, including its representative marine life and fire underwriters, as he has been to the practically unanimous voice of the Legislature, which is representative of the people of New York. An appeal to a mind so well satisfied with itself was therefore a waste of good time by the chamber. The Governor says in his reply that he does not think that an investigation of life insurance conditions is necessary, because the law affecting them has not been on the statute books long enough to furnish an experience, and he refers to his speech of acceptance of renomination during the recent political canvass for an exposition of his views, which are to the effect that the new law has secured important economies and conservative management, and particularly that he will not approve of a bill modifying the restrictions on expenditures, such as he vetoed last spring. Notwithstanding his promise that he will give "most careful consideration" to any bill that shall come before him next session, "involving an amendment of the law," it is obvious that New York life underwriters will have to depend on their own labors with the Legislature to get reform. There is no reason to suppose that the next Legislature will be more under the domination of the Governor than the last. It is well understood that he was swept into office with the Presidential tidal wave and not on any issues regarding his own administrative acts. The party managers who were obliged to submit to his renomination for party reasons will be quite as strong as before in the Legislature, and remedial insurance legislation which went through without opposition will not be likely to encounter enough at the next trial to prevent repassage over a veto, provided the work is done early in the session, and not left on the Governor's hands on final adjournment. It may be well to observe here that the presiding officer of the next State Senate, Lieutenant Governor-elect Horace White, has always been one of the most earnest and consistent friends of the life insurance interest.

INTEREST is felt in the report promised in January of the commission appointed by the Massachusetts Legislature to consider a scheme of old age pensions and make recommendations thereon. The enactment of the old age pension law in England and the agitation which it has aroused in that country have given zest to the question here, where it also possesses an industrial insurance point of view. The address of Mr. Frederick L. Hoffman, the statistician of the Prudential insurance company, before the Massachusetts Reform Club, which we recently noted, sheds a good deal of light on the probable effect of such a system on this country, and particularly on

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Massachusetts, in which there exists a disposition to make the State the pioneer of a movement to adopt it. Mr. Hoffman's dealings with figures show that as to the whole country the estimated number of persons over sixty-five years of age is 3,575,000, and if but fifty per cent. of them received a yearly pension of $130 each—a little more than $10 a month—the cost to the nation would be over $230,000,000 annually. If the pensionable age was made seventy years, the cost on the same basis would be $134,000,000. Applied to Massachusetts the annual cost at 60 years of age would be $16,420,000, at 65 years $10,520,000, and at 70 years $6,230,000. These estimates do not include the expenses of administration, which would be from 3 to 5 per cent. more. The taxpayer might well view with alarm these proposed additions to his burden. British financiers have been disturbed for some time over the problem of meeting the forthcoming cost of old age pensions—estimated by Mr. Balfour at $57,000,000 annually—out of increased direct taxes and import duties. With the socialists, however, who are backing old age pensions here and abroad with all the influence they can bring to bear, the scheme is but a step toward their millennium. As one of them has expressed it in the British Parliament, it is to be advocated as a means of equalizing the distribution of wealth. It helps to make the rich poorer and the poor richer. When established it is to be used as a lever for extorting more from the "haves" for the "have nots."

Facts and Opinions.

There is **no retroactive power in Section 97** of the Armstrong law, which limits the commissions of agents, according to the decision rendered this week by the New York Court of Appeals in an opinion written by Judge Bartlett. The decision concerned a test suit brought against the Security Mutual Life of Binghamton by William Boswell, its general agent in Cincinnati. Boswell claimed commissions at the old rate under a twenty year contract, dated October 30, 1901. The Binghamton company contested his claim, and won out in the Appellate Division. In an opinion concurred in by all the other judges Judge Edward T. Bartlett gives the Court of Appeals' reasons for sustaining the insurance agent. He said in part:

We are of the opinion that Section 97 of the insurance law should not be construed as retroactive, and, therefore, it does not apply to the contract before us. If constructed otherwise it would contravene the provision of the Federal Constitution that no State shall pass any law impairing the obligation of contracts.

In discussing the question as to whether new forms of policies have been adopted upon which the plaintiff is to recover changed commissions under the contract, Judge Bartlett says: "Changes in premium rates or clauses in present forms of policies are not to be construed as a new form. The various names applied to policies indicate the 'form' or 'plan' under which they are to be operated." The court concedes that the policies involved in the case are not new in "form" or "plan," and that therefore the plaintiff is entitled to recover. The decision overrules the lower court, which held that the general agent becomes "vitally and essentially connected with its (the company's) domestic affairs," and so is affected by legal restrictions imposed on the company.

A report has been made to the Underwriters' Bureau of New England upon the **fire** which destroyed two of the Grand Trunk docks **at Portland, Me.**, Friday of last week, with not far from $300,000 loss, and which spread to the Dominion Line steamer Cornishman, burning out the contents of three hatches, valued at $200,000. The report says in part:

The fire was certainly well handled, both by the city fire department and the Grand Trunk employees. There is no doubt that a large part of the sheds was ablaze when the fire was discovered. That it was confined to Pier 1 only is evidence of good work. * * It is principally due to the lack of satisfactory alarm and watchman service that the fire gained such great headway. It is somewhat doubtful if the watchman's service, as installed, was carefully and conscientiously carried out; but at any rate rounds should have been made oftener than bi-hourly through these sheds. The monitor nozzles protected the inside of the sheds only. * * There was a shortage of hose. The pumps could have supplied four or five more streams.

A press dispatch from Portland, Me., compares losses in that city for a decade, as follows:

The present year has been a disastrous one by reason of the fires in this city. Besides the usual number of ordinary blazes there have been four big fires with an aggregate loss to date of $1,242,489, exclusive of the losses at the Grand Trunk pier fire Friday morning, which were estimated at approximately $500,000. This exceeds the total losses in Portland for the ten years ending January 1, 1908, by $34,000. The insurance losses for the decade previous to this year amounted to $1,708,478, of which $1,041,996 was on what would be termed contents. The premium income on Portland business averages $275,000 a year, which would give a ratio for the period of over 62 per cent. This year's losses, not including the Grand Trunk fire, increased the loss ratio to over 96 per cent., leaving a margin of less than 4 per cent. out of which to pay all expenses. The losses on account of Friday's fire thus increase the losses for the past eleven years to 14 per cent. more than the estimated premium receipts.

The **estimated loss by fire in the United States and Canada** in the month of November, according to the compiler of the *Journal of Commerce*, was $15,834,350, or over $4,000,000 less than was credited against the same month last year, viz., $19,122,200. The comparison of the losses of 1906, 1907 and 1908 for the first eleven months of the year is as follows:

	1906.	1907.	1908.
January	$17,723,800	$24,064,900	$29,582,000
February	18,949,350	19,876,600	18,489,700
March	18,727,750	20,559,700	16,723,300
April	292,501,150	21,925,900	26,009,000
May	16,512,850	16,286,300	15,181,150
June	13,950,650	14,765,000	19,512,000
July	12,428,050	18,240,150	15,323,750
August	9,641,600	20,248,000	23,123,000
September	10,852,550	11,440,400	21,431,400
October	13,872,450	13,350,250	22,722,850
November	16,248,350	19,122,200	15,834,350
Totals	$440,708,550	$199,879,400	$224,593,100

During November there were 306 fires causing a loss of $10,000 or over, and nine fires causing a loss in each instance of $200,000 or over. In regard to the difference between 1907 and 1908 November losses our contemporary says:

The abnormal loss during November, 1907, was due to the grain elevator and dock loss at Superior, Wis., of $2,225,000. The important factors in the November, 1908, total were the incendiary blazes at Philadelphia and two large whiskey warehouse fires in Kentucky. It will be seen that the 1908 losses so far exceed those for the same period in 1907 by about $25,000,000, and it is well known in insurance circles that only the heavy increase in security values has saved a number of fire underwriting institutions from going to the wall.

Alleging that neither the **Capitol Life insurance company** of Washington nor the Life Underwriters Company of America was formed to conduct insurance business, but that their sole purpose was the selling of stock, the proceeds from which were applied to the individual benefit of William McDonald, promoter, receivers of the Capitol Company this week brought suit against the Underwriters Company for an accounting of its property. Both companies were incorporated in the District of Columbia. On the same date that the Capitol Company was organized, March 24, 1904, it was shown, McDonald, who is secretary and treasurer of the concern, made an agreement with the Underwriters Company, of which he is president, by which the latter was named sole agent for the Capitol Company and was author-

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ized to sell its stock, take over its business and fix its salaries. The Capitol Company never sold its stock. It is asserted that McDonald sold $95,000 of the Capitol stock, which he said he had turned over to the Underwriters Company. McDonald was not at the trial, nor was he represented by counsel. It was testified to that while the Underwriters Company maintained pretentious offices it did no business, but paid its officers from the capital stock subscribed. While McDonald told the receivers he had handled $75,000 of the funds of the Capitol Company, the receivers testified they found only a $19 bank account, a deed for a small property, an alleged mortgage for $4,000, and several notes which could not be collected.

The **fire hazard** of **Reading, Pa.**, is the subject of a recent report by the engineers of the committee on fire prevention of the National Board of Fire Underwriters. The engineers find the city in a fairly satisfactory condition, as the city is built of brick with non-combustible roof coverings, making the conflagration hazard small. Manufacturing plants are isolated or surrounded by brick residential sections. In the principal mercantile district, while the probability of serious fires is small, the potential hazard is described as of some moment on account of the serious exposures formed by the great number of unprotected overlooking windows in block interiors, and the bad overhead wire obstructions. The fire department is characterized as large but inefficient, and the water supply as ample, but the pressures are unsatisfactory. The water works are owned by the municipality, and the organization and management are characterized as good. The main arteries and secondary feeders are generally of good size and well arranged. The hydrants are in good condition, and are well spaced. The ladder protection of the fire department is said to be inadequate, and the engines, although sufficient in number, are characterized as needing overhauling. The supply of hose is inadequate, and some of it is in poor condition. The service as a whole is characterized as insufficient and unsatisfactory. The fire alarm system is automatic, but unreliable because of hazardous location of the headquarters apparatus.

A sentiment decidedly against a change in the present **standard form of fire insurance policy** was shown at the hearings this week in Chicago before the committee on laws and legislation of the National Convention of Insurance Commissioners. The National Board of Fire Underwriters was represented by President Sheldon, of the Phenix of Brooklyn, who is chairman of the law committee of that body. He stated that the board, with the exception of the Continental, did not favor a change. The fact that the present form of policy has been already construed in countless legal decisions, he thought, was a good reason for not effecting a change. These would all be swept aside in view of a new or simplified form of policy. Most of the insurance commissioners present expressed their opinion as against a change. The uniform blank committee of the National Association of Local Fire Insurance Agents was represented by L. M. Drake, of Chicago, who wanted a policy form adopted of a size that would conveniently fit into a typewriter. Thomas E. Gallagher, Western general agent of the Ætna of Hartford, who represented the Western Union, said it would cost his company with its 8,000 agents no less than $25,000 if a change of policy was made. The Western Union was also represented by Peter McGregor, the Western manager of the Queen.

The **committee on fraternals** of the **National Convention of Insurance Commissioners**, of which Commissioner Folk, of Missouri, is chairman, held several hearings this week in Chicago in connection with the proposed uniform fraternal bill. The measure as discussed is a tentative proposition drawn up by joint committees of the Associated Fraternities of America and the National Fraternal Congress. A change was agreed on for the section on valuation in the bill as originally drawn. The original draft provided that after 1911 no fraternal should write new business at rates lower than the National Fraternal Congress table, with interest at 4 per cent., and provided for annual valuations. The committee announced on Thursday that the valuation section had been amended to provide that in addition to the annual statement each association should report the result of a valuation of its certificates issued after a fixed date and outstanding on December 31, ascertained according to the National Fraternal Congress table, with interest at 4 per cent., or any mortality table higher or interest rate lower than that basis. This is to authorize the use of the American Experience table by a number of fraternals, which insist that the National Fraternal Congress table is unreliable and inadequate, especially at the higher ages. This valuation is not to be taken by the insurance departments as a test of solvency, the organization being held solvent so long as its available assets exceed its liabilities.

An important fire insurance case, involving questions never before passed upon by the higher courts, is pending before the Illinois Supreme Court, a decision being expected this month. It is the suit of Thomas F. Houren and the **Buffalo Commercial** against the Chicago, Milwaukee and St. Paul Railway, growing out of the burning of Houren's house at Galeswood, a Chicago suburb. The **railroad** is **held** to be **liable** in that a freight train blockaded the only crossing by which the fire engines could reach the spot. No engine was attached to the train, and one had to be sent for before the train could be cut to let the fire department through. There have been numerous cases in which railroad companies have been sued for running over the hose at the time of a fire, and thus cutting off the water supply, but none where they have been charged with blockading the department. The case has been decided against the railroad company in the lower and appellate courts, and as less than $1,000 was involved the railroad was forced to secure a certificate of importance to allow it to be carried to the Supreme Court. It contends that the case is one of unusual importance as numerous suits might be possible if the principle were established in the courts that the railroad is responsible in case of blockade.

Forest fires in New York State during the present year burned over 177,476 acres, destroyed property valued at $643,986.75, and caused an expenditure of $138,000 for fire fighting forces, according to estimates given in a statement issued Monday by Commissioner James S. Whipple, of the State Forest, Fish and Game Commission. In the forest fires of 1903 the losses totalled more than $845,000. The commissioner says in his statement:

When it is considered that the drought this year was the most protracted ever known, continuing for months, and that there were twice as many fires as in 1903, it must be conceded that much better work was done this year than in 1903. The great number of incipient fires started by railroad engines, which were put out without material damage, are attributable to the thorough patrol system established this year, for the first time, by the department on the railroads. At the same time it must be admitted that there must be a radical change in many respects, or we can never feel reasonably safe in the enjoyment of the great forest preserve of the State. If it shall be thought proper to eliminate the opportunity for fires along the rights of way of railroads by change of fuel, and that is accomplished, much of the danger would be obviated. With that done, it would seem that a system of fire protection may be established, aided by the enactment of more drastic laws for the punishment of persons for the wilful and

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even negligent setting of fires, that will fairly insure excellent protection against this most dangerous element which in the dry seasons of the year threatens us.

The **receivers** of the **Mutual Reserve Life,** William Hepburn Russell and Charles E. Rushmore, were given permission Tuesday by Judge Ward in the United States Circuit Court at New York, to begin **suits** for the recovery of certain funds, against George D. Eldridge, George Burnham, Richard Deeves, Edward M. L. Ehlers and Charles E. Mabie, former directors of the concern. A suit was begun Tuesday in the United States Circuit Court against Frederick A. Burnham, former president of the Mutual Reserve, to recover $6,500, which was paid to Horace H. Brockway without warrant. Mr. Brockway, who is proprietor of the Ashland House, testified under the probe of Mr. Hughes during the sessions of the Armstrong committee that he had lent Frederick A. Burnham $6,500, and that the money was repaid to him by his being put on the Mutual Reserve payrolls for $200 a week. Mr. Brockway at the same time served the company as a director. Other funds which the receivers are going to try to recover amount in the aggregate to about $200,000.

The **Pacific Mutual Life** of Los Angeles announces the removal of the home office to its new building, situated on the northwest corner of Olive and Sixth streets, in that city. This new home office building is classic in design, five stories in height, and is as proof against fire as modern knowledge and science can make it. The structure is of steel deeply imbedded in concrete, and the covering is terra cotta pure white in color. The trim, window frames, sills, doors and all cabinet work are of drawn steel. Not a particle of wood or other inflammable material enters into the construction anywhere. Every window is protected by a steel shutter, and each floor can be isolated by means of heavy steel fire doors. Running up through the building, though independent of it, is a series of record vaults, and projecting out from the foundation walls, and encircling the entire structure, are underground vaults, where will be stored records that are referred to occasionally. The company will occupy the building exclusively.

A movement has been started by the Ohio Fire Prevention Association to organize a **national assembly,** including all of the institutions in the United States that are interested in the **preservation of life and property** from fire. The suggestion was adopted at a recent meeting, and the following committee empowered to act was appointed: H. W. Clayton, chairman, Troy; Wm. B. Goodwin, Columbus; L. J. Bonar, Mansfield; J. E. Smith, Chardon; R. L. Raynolds, Cleveland, and W. H. Clemons, Cincinnati. It is stated in the report recommending the appointment of a committee that

Such an organization should invite in its membership not only the State fire prevention association, but include officers, general agents and managers of insurance companies, officers of rating bureaus, State insurance commissioners, State fire marshals, architects, builders, chiefs of fire departments, superintendents of fire patrols and salvage corps, mechanical, electrical and chemical engineers, local board organizations represented by delegates and any other individual or persons deputized as delegates and any organized body or office interested in the preserving of life and property from fire and in reducing the great fire waste of this country.

Concerning the action of the conference **on taxation** called by the Association of Life Insurance Presidents, the following comment is made by **President Kingsley,** of the New York Life:

The convention was a notable one. The paper read by Professor Zartman, of Yale University, was a real contribution to the general subject of taxation; it went further than the topic under discussion and was for that reason all the more valuable. Nothing is clearer than that the facts are all on the side of the companies, and nothing is clearer, also, than the difficulty of bringing the facts straight home to the policyholder. That the policyholders in this country pay annually in taxation about $10,000,000 for the privilege of being insured—after paying all the expense of conducting those branches of the various State governments which supervise the business—is an amazing fact. It fully justifies the plain statement by the National Bar Association at its 1907 convention that the several States in the name of law are raiding the funds of defenseless people, and trust funds at that. There was a strong feeling in the convention which it was not decided wise to bring out—since the program called for the discussion of taxation. It was felt that before any effective appeal can be made to the legislative bodies of other States New York State must put her own house in order.

A recent test was made in Louisville, Ky., to show the **inflammability of whiskey** even when the blaze does not come in direct contact with the whiskey itself. It is understood that this hazard may account for some of the recent unexplained fires in bonded warehouses. Special agents who have looked into the situation have also stated that there is a great deal of carelessness, notwithstanding Government supervision, around bonded warehouses, due to the lack of enforcing the no smoking regulations. It is also stated that where it is necessary to repair or stop leaks in barrels at these warehouses it is often done by candle light. It would seem that underwriters owe it to themselves in view of heavy losses to insert certain warranties to prevent smoking and the carrying of open and unprotected lights by those whose business it is to go into these warehouses for one purpose or another.

An opinion as to the **legality** of **advisory rate** work **in Arkansas** has been given by H. L. Norwood, Attorney General-elect of Arkansas, to E. L. Barkley, of Memphis, manager of the Arkansas Inspection and Fire Prevention Office. Mr. Norwood holds that no laws of Arkansas are violated, and that the sale of his rates cannot be prohibited so long as there is no agreement among the companies as to the use of the information received. Under the usual Arkansas system Mr. Norwood will serve as Attorney General for four years, and, following precedent, will then become Governor, and this ruling is regarded as indicating a more friendly tendency toward fire insurance in that State.

The **Louisiana law** prohibiting the **transfer** of **suits** by corporations from the State **to Federal courts** having been held unconstitutional by Judge Eugene D. Saunders in the United States Circuit Court at New Orleans, the matter will now be carried up to the Federal Court of Appeal. The test case was instituted by the Mercantile Trust Company of New York against the Texas and Pacific Railroad Company. In the arguments against the act it was shown that the law denies corporations equal protection, because it allows domestic corporations to go to the Federal courts on Federal questions, and restricts the rights of outside corporations in this respect.

The **Guardian of Pittsburgh** has decided to **reinsure** its outstanding business in the Southern of New Orleans, and the latter company will purchase the Pittsburgh company's assets. The assets of the Southern will be increased by the transaction to more than $1,200,000, including a surplus to policyholders of about $500,000. The purchase by Dickson & Tweeddale of the German Union Fire of Baltimore brought about the above arrangement. They will handle both the Southern and German Union. The agents of the Guardian will shortly receive notice to stop writing business.

The following officers were elected at the annual meeting of the **Underwriters' Association of New York State** held

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on Tuesday: President, A. T. Lovett, of the Fire Association; first vice president, Frank L. Curtis, of the Springfield; second vice president, Charles E. Dosser, of the Fireman's Fund; chairman of the executive committee, Frank E. Burke, of the Home; members of the executive committee to serve for three years, E. H. Hornbostel, of the Germania; William C. Roach, of the Ætna; J. M. Carothers, of the Phœnix of Hartford; to serve for two years, E. Stanley Jarvis, of the Hanover; Charles Gibson, of the London Assurance.

The report of the official **examination** of the **Manhattan Life** by the New York Insurance Department gives the company admitted assets of $20,473,502; reserves on outstanding policies, $18,167,665; all other liabilities, $213,992; capital, $100,000; surplus, $1,991,845, being $236,800 in excess of the amount claimed by the company in its annual statement. This increase is due to the Insurance Department having placed a higher value on the real estate holdings than that carried by the company. The examination was the first for the Manhattan since the new insurance laws went into effect, and was of a most searching character.

Bids for the construction of the projected sixty-four story **new home office** structure of the **Equitable Life Assurance Society** were received this week from the Thompson-Starrett Company and George A. Fuller Company. The bids were opened, and the directors will act on them December 17. Work on the building, which will rise 909 feet, will cover a period of two years. Although the Equitable officers did not intend to start it until May, 1910, it is said the new plan is to get tenants out of the old building next May and clear the site at once. All will depend on the action of the directors at the December 17 meeting.

The Associated Fraternities of America has appointed a **commission to construct tables** that shall accurately and scientifically present the **mortality** experience of the fraternal societies which have been operating on this continent within the past forty years. Some 3,000,000 of exposed lives will be under observation. A table as to occupation mortality will be constructed; also tables showing the mortality as to sex and residence. The officers of this commission are as follows: President, Lee W. Squier, of Philadelphia; vice president, J. L. Rose, of Waterloo, Ia.; secretary-treasurer, C. H. Robinson, of Washington, D. C.

The report of a supplementary **examination** of the **Philadelphia Casualty** by the Pennsylvania Insurance Department was made public this week, showing how the company stood on December 1 after $140,000 had been paid in in cash. There are now aggregate admitted assets of $1,051,535.21, and that the liabilities, aside from the capital of $300,000, are $724,-240.71, making the net surplus $27,294.50. Of the liabilities, the unearned premium reserve amounts to $420,651.54, while an additional $97,253.34 has been set aside as a special reserve in the liability and credit departments. The surplus to policyholders is $327,294.50.

In the liquidation of the affairs of the **Ohio German** of Toledo, the trustees have been investigating the report that there was a string to the $104,000 deposit with the Citizens State Savings Bank, of Napoleon. Michael Donnelly, president of the Ohio German, was also president of the bank. The trustees found the title to the money unquestioned, and were paid the full amount. The trustees are also unable to discover any flaw in titles to the bonds, no other owner having put in appearance, although the statement has been published that $154,000 of the bonds were merely borrowed.

The report of **Receiver** John P. Streepy, of the **Home Fire of Little Rock, Ark.**, shows that the bondsmen of the company are liable for $13,499 in claims, and that the company as a corporation is responsible for $5,725, a total of $19,224. Claims aggregating $5,848 have been disallowed by the receiver. The report further states that the defunct company has on hand several thousand dollars in premium notes, which are worthless. The receiver says he has no money to prosecute suits for their collection any way.

The **National Board of Fire Underwriters** has recently issued a list of manufacturers of approved **tinclad fire doors** and shutters, and of doors and shutter hardware. A list of electrical fittings that have been examined and approved by the Underwriters' National Electric Association for the installation of electric wiring and apparatus has also been issued. The extension of the label service of the Underwriters' Laboratories to the various minor appliances is being gradually made with great success.

A reply to the city council of **Charlestown, S. C.**, which seeks a reduction in **fire insurance rates**, has been made by Manager Andrews, of the South Eastern Underwriters' Association, who contends that rates in that city are already lower there than in other cities in the South of similar size. He further states that in view of the marked conflagration hazard existing in Charleston he does not believe that the South Eastern Underwriters' Association would adopt the proposed schedule of reduction.

The **Atlantic Fire** of Raleigh, N. C., one of the North Carolina local companies, which several months ago withdrew from the South Eastern Underwriters' Association because the desired reduction in their assessment rate was not forthcoming, has made **application** to be again **admitted** to the association. Several of the other North Carolina local companies which took a similar stand, that the assessment, which is on a pro rata basis, was too high, are expected to return to the association.

The **Virginia Insurance Department** requires domestic life insurance companies of that State to figure **reserves** on the American Experience Table with 3½ per cent. interest, allowing a modified preliminary term. After January 1 it is reported that the department will enforce against companies of other States this same reserve requirement, which will interfere with companies using the full preliminary term basis or a higher interest rate than 3½ per cent.

The crash of the **Fidelity Funding Company** of New York, a concern which made loans to institutions of the Roman Catholic Church under an arrangement by which the priests and nuns took out endowment policies for about 75 per cent. of their loan, occasioned some comment this week. Thomas F. Gilroy, Jr., has been named as receiver, and President P. J. Kieran has disappeared. The company is believed to be bankrupt as a result of Kieran's operations.

An opinion made public this week by the Pennsylvania Attorney General's office holds that mutual life **insurance companies**, with the **assessment feature**, have not the right when chartered and operating under Pennsylvania laws to issue endowment policies. The ruling does not affect any old line life insurance company, but is for the regulation of new assessment concerns which are constantly springing up.

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A **reception** to the executive officers of the **Economic Life** of Philadelphia was given by the agency force of the Baltimore office on Friday evening last, in charge of Resident Manager Roger Dickens. After an enjoyable dinner several of the officers spoke. The officers present were William W. Ruley, president; S. S. Williams, secretary; Dr. A. C. Wood, medical director; L. A. Smith, treasurer, and J. Edward Challenger, director, all of Philadelphia.

Plans are being made for the **reinsurance** of the **Walla Walla Fire** of Washington by the American Home of Seattle, a new company being formed for that purpose. The prospective retirement of the company is placed early in January. C. K. Holloway, president of the Walla Walla, and O. P. Conway, its secretary, hold similar positions in the corporation.

Application has been made at Columbia, S. C., for a charter for the **Atlantic and Gulf Fire,** which will write fire, casualty and bonding business, according to present plans. The company will have a $100,000 capital. The former comptroller general of South Carolina, A. W. Jones, is slated for the presidency.

The **business** of the **Hamburg-Bremen at Montgomery, Ala.,** has been reinsured by the Agricultural of Watertown. The premiums of the former company in that city amounted to about $1,500 a year. Montgomery is a high license town, and companies have to pay $400 a year for the privilege of writing policies.

The **California Life** is a new company which is being **organized** at Los Angeles by the promoters of the Imperial Securities Company. Over half a million dollars' worth of stock has been placed in the Securities Company. The new company hopes to start with $1,000,000 of insurance in force.

The **Calumet Fire** of Chicago announces that Secretary A. W. Haight will resign January 1 to become **Eastern general agent,** with headquarters in New York city. His successor as secretary will be Otto E. Greely, of Minneapolis, Minn., State agent of the Phenix of Brooklyn.

It is reported that a **non-union company,** which has applied for **membership** in the **Western Union,** has been granted liberal concessions to facilitate the transfer of its agencies to the graded commission basis, and will be announced as a member soon.

The **Springfield Fire and Marine** has notified its agents that it will waive the sixty day clause and pay its losses without discount upon receipt of proofs of loss. The Commercial Union, Palatine and Hartford have taken similar action.

On Tuesday last Governor Cobb of **Maine** nominated **Beecher Putnam** of Houlton for the office of **Insurance Commissioner,** to succeed on December 30 Stephen W. Carr, who has held the office for sixteen years.

Announcement has been made by Manager Andrews of the South Eastern Underwrtiers' Association that steps will be taken to **test** the **constitutionality** of the **Virginia firemen's benefit act.**

The **Consolidated Fire and Marine** of Albert Lea, Minn., is increasing its capital stock to $200,000, and expects to enter the Eastern States.

Personal.

AGENCY APPOINTMENTS.

Fidelity Mutual Life of Philadelphia: S. C. Duryee, of Newport, Ky., manager for central Kentucky department, with headquarters at Lexington.

Fireman's Fund of San Francisco: P. G. Krueger, special agent in Cook County and assistant to State Agent Stauffer in Illinois.

German-American of New York: E. O. Basse, of Milwaukee, Wis., State agent, succeeding W. E. Page, beginning January 1.

Liverpool and London and Globe: Edward T. Sherley, special agent for Tennessee and Arkansas, with headquarters at Memphis.

Providence-Washington: George C. Hoffman, of Sedalia, Mo., special agent in Missouri and Iowa, beginning January 1, as successor to A. H. Grupe.

Rhode Island Fire of Providence: J. G. Barnett, sole agent at Los Angeles.

Union of Philadelphia and State of Pennsylvania: Burgard & Stout, Washington State agents, with Seattle headquarters.

Mr. Francis D. Hirschberg, a member of the St. Louis insurance firm of F. D. Hirschberg & Brother, was mysteriously shot and killed at his home early on Tuesday. He was an organizer of the St. Louis Board of Fire Underwriters, which was later succeeded by the St. Louis Fire Prevention Bureau. Mr. Hirschberg's firm represented the Scottish Union and National, the Employers' Liability for the State of Missouri and the Ætna Indemnity of Hartford and several others.

Mr. John E. Dean, for many years general agent for the Northwestern Mutual Life in Chicago, died recently, leaving an estate of $1,270,000. This was largely realized from his old style general agency contract with the company, with a maximum of 50 per cent. and a renewal of 7½ per cent., the contract covering twenty years up to 1894. Mr. Dean was a charter member of the Chicago Life Underwriters' Association.

Mr. N. S. Faucett, Washington manager of the Empire State Surety of New York, has resigned, and Mr. Henry J. Hunt, 3d, previously general agent of the Metropolitan Surety, has been chosen to succeed him. Mr. J. C. Boe will continue as casualty representative of the Empire State Surety.

Mr. J. D. Crooker, special agent for the Hartford Fire in North Dakota and northern Minnesota, died this week at his home in Fargo from typhoid fever. Mr. Crooker was in the Western department offices of the Hartford for a number of years before entering the field in 1902.

Mr. R. F. Woltersdorff has been appointed special agent for the Atlas of London, succeeding E. W. Jewell, in Illinois and Michigan January 1. Mr. Woltersdorff has been assistant to J. M. Hilton, State agent for the Sun of London in Iowa, Illinois and Wisconsin.

Mr. Frank G. Snyder, of Louisville, who heretofore has represented the Liverpool and London and Globe in Kentucky, West Virginia, Tennessee and Arkansas, will hereafter confine his efforts to Kentucky and West Virginia, continuing headquarters in Louisville.

Mr. W. H. Filler, superintendent of the Metropolitan Life for northwestern Ohio, and president of the Toledo Life Underwriters' Association, is dead of typhoid fever after an illness of three weeks. Mr. Filler has been with the Metropolitan for thirteen years.

Mr. Mathias Jones has been appointed special agent in South Carolina for the Dixie Fire of Greensboro, with headquarters at Columbia. Mr. Jones is succeeded at the home office by Mr. W. D. McLean, who was formerly with the Southern Life and Trust.

President Henry M. Gratz, of the Girard Fire and Marine of Philadelphia, who has been in the University Hospital of that city for the past three weeks suffering from an attack of typhoid fever, has sufficiently recovered to be considered convalescing.

Mr. Mathias J. Price has been appointed Newark, N. J., representative of the Liverpool and London and Globe, succeeding the late D. Smith Wood, whose death was noted last week. Mr. Price became associated with Mr. Wood about a year ago.

Mr. Edward G. Warner, who has been special agent of the Hartford Fire in the Atlanta department for many years, will resign from that company on January 1 to become managing underwriter of the Florida Home at the Marianna headquarters.

Mr. S. C. Tozzer, for more than thirty years actively identified with the Provident Life and Trust in Boston and Lynn, Mass., territory, died on November 22 at his home in the latter city, at the age of sixty-two years.

Mr. John C. Byland, of Walton, Ky., has been appointed general agent for the Michigan State Life in fifteen Kentucky counties opposite Cincinnati. He was formerly general agent in Louisville for the Penn Mutual Life.

Mr. Lee F. Cole, former secretary of the Northern Life of Chicago, has been elected vice president and manager of the Northwestern Mortgage and Trust Company of Chicago, with offices in the Hartford Building.

Mr. Charles H. Johnston, of Des Moines, general agent for the Prudential's ordinary department, has resigned to accept the position of superintendent of agents for the Western Mutual Life of Council Bluffs, Ia.

Mr. T. C. Naulty, formerly of the city department of the Home of New York, has gone to Poughkeepsie, N. Y., where he has become connected with the Underwriters' Association of New York State.

Assistant State Fire Marshal Parks Hone, Democrat, has been dropped from the service of the State of Ohio, and Mr. Harry B. Kirkland, Republican, supplants him in charge of the Toledo office.

Mr. John McDonald, a son of J. J. McDonald, Western manager for the Connecticut, has been placed in charge of North and South Dakota for that company, with headquarters at Aberdeen.

Mr. J. Harry Catlow, formerly assistant superintendent of agencies for the Security Life of America, has been appointed Illinois manager for the Scranton Life, with headquarters in Chicago.

Mr. Lawrence M. Cathles, who was recently appointed resident actuary for the Southwestern Life of Dallas, has been elected secretary of that company, and will hereafter fill both positions.

Mr. Frank A. Wesley, director of Eastern agencies of the Columbian National Life of Boston, has been appointed director of agencies for the entire country by President Childs.

Mr. C. S. Byrkit, who was secretary of the legislative insurance investigating committee in Iowa in 1906, is reported to be slated for chief clerk of the Insurance Department.

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Mr. S. P. Holmes, of Chicago, has been named as secretary by E. J. Marshall and E. R. Torgler, the trustees appointed to wind up the affairs of the Ohio German of Toledo.

Mr. Elliott W. Butts, of Charlotte, who has been special agent for the Florida Home in North and South Carolina, with headquarters at Charlotte, has resigned.

Mr. Ole O. Roe, the veteran head of the insurance department in the Iowa State Auditor's office, will retire January 4, when State Auditor Bleakly takes office.

Mr. E. F. Kraus has been appointed by the Northwestern National of Milwaukee to succeed O. E. Reddeman as manager at Cleveland, Ohio.

Mr. L. H. Denby, for years the trusted cashier of the North American Accident of Chicago, died November 30.

Casualty and Surety Insurance.

Unusual accidents of the week are as follows: A cook in a New Jersey residence was seized with a stroke of paralysis while working about a stove, and was seriously burned before she was rescued.

An electrician in a tire factory had gone into the elevator pit to repair the mechanism when the car suddenly descended and crushed him to death.

An employee of the Philadelphia fire department fell from a truck while going to a fire, striking on the back of his head and sustaining a concussion of the brain.

A Massachusetts farmer broke his neck some months ago while working about his place, and did not discover the cause of his "stiff neck" till he recently consulted a physician.

An Ohio Congressman, while enjoying a play at a New York theatre, was hit on the head and sustained a severe scalp wound as the result of a pair of opera glasses falling from the balcony of the playhouse.

A New York policeman was badly bruised and cut as a result of falling down a 75 foot bank bordering the Speedway when in pursuit of a youthful crap shooter.

A New York woman was poisoned to death as a result of drinking water in the dark from a glass which had contained carbolic acid.

A champion pole vaulter broke his collarbone during an indoor athletic meet as a result of his pole slipping.

Two soldiers of the United States Army were killed in Oklahoma as a result of the collapse of a bridge over which a detachment of artillerymen were riding.

A motorman at Annapolis, Md., was knocked from the top of a trolley car and his spine broken, while fixing a portion of the equipment, his fall resulting from a shock of electricity.

A two year old child nearly choked to death as a result of swallowing a handful of peanuts, being finally relieved by having her windpipe cut.

Mistaking the feathers on a young woman's hat for the plumage of a bird, a hunting dog jumped for the hat and buried his teeth in the woman's face.

A stranger in Wilmington, Del., walked through a street running down to the water, and unaware that the thoroughfare terminated at the river's brink fell into the water and was nearly drowned.

The manager of an Ohio theatre took some headache powders, which affected his heart and caused his death.

A Brooklyn grandfather tried to show his grandchildren how to dance, but fell and broke his knee cap.

While giving a youngster a "piggy back" ride, a Pennsylvanian slipped on a banana peel and sustained a compound fracture of the right arm.

A New Jersey man in attempting to climb a tree after a squirrel he had shot fell to the ground and broke both arms.

A horse slipped from a wooden bridge over which a man and his wife and sister were driving, and all three occupants of the vehicle were drowned in the river.

While sitting on his father's knee, a baby grabbed a 2 inch ruby stickpin from his parent's tie and swallowed it, with the result that it took twenty-four hours of strenuous work to recover the jewel.

Because some football players refused to throw their ball up in the air for a party of hunters to fire at, the men fired at the players and fatally wounded two of them.

The explosion of an oil furnace caused the serious burning on the arms and body of an employee of the works.

A baby whose clothes had been set on fire while playing around an open grate had its life saved by the mother, who threw it into a nearby river.

While playing in the street in front of his home a boy was trampled by the horses attached to an ice wagon, and had three ribs and his collarbone broken, besides receiving internal injuries.

A boy who tried to hook a ride on a wagon used for conveying telegraph poles fell under the wheels and was killed.

A boy tagged his playmate with a stick which gouged out the eye, destroying the sight.

In an altercation with a negro over using a cake of soap after the colored man, the white man was stabbed three times in the left shoulder.

A New York woman was tripped by the tow line attached to a passing automobile, and before she could recover her balance had been run over by the machine being towed.

In attempting to leave a train before it had stopped, a man was thrown under the wheels and his right leg ground off.

A woman was terribly burned while seated at a table by the oil lamp rolling into her lap and exploding.

On Monday of this week the hearings of the **special fidelity and surety** committee of the **National Convention of Insurance Commissioners,** of which Commissioner Rittenhouse is chairman, were begun in Chicago. There was present a good sprinkling of surety company officials. Vice President Lefrentz, of the American Surety, favored setting aside a certain portion of the premium in force, say 30 per cent., for the reserves. Vice President Whelan, of the Fidelity and Deposit of Baltimore, cautioned those present against confusing loss ratio and claim reserves. He favored continuing the present method of computing claim reserves. President Joyce, of the National Surety, did not favor putting up a 50 per cent. unearned premium reserve, and an additional 30 per cent. claim reserve, on the ground that only 20 per cent. would then be left for expenses. This would be a hardship to companies with a small surplus. The matter was further threshed out by the other speakers. The classification under which the companies are to report their business was discussed on the second day of the session. Chairman Rittenhouse suggested devising some method by which companies could have a check upon their agents. Several suggestions were made by Actuary Wolfe, but these did not meet with favor among the companies' representatives. The question of the salvage of assets developed little discussion. The subject of indemnity collateral was discussed by President Joyce, who also said in regard to the subject of reinsurance agreements that he thought it was proper for a company to give a bond to a co-surety where a co-surety is required by the practice of the court, and the original bond is not above the company's 10 per cent. limit. On special deposits the consensus of opinion was that States should deduct from assets the difference between special deposits and reserves on business in force in States where such special deposits are up.

The **impairment** of $149,910.11 in the **capital** of the **Metropolitan Surety** of New York, which is shown in the report of the examination of the company by the New York Insur-

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ance Department, must be made good by January 4, according to the notice of Insurance Commissioner Kelsey. In the meantime the company cannot transact any business, and indications point to its affairs being wound up by a receiver. An examination of the company's condition made in June last to verify its last annual statement was made by the New York Insurance Department, which found at that time an impairment of $61,431.08 in its capital, as compared with a surplus of $117,145.52, claimed in the annual statement made as of December 31, 1907. Some time ago the capital was reduced from $500,000 to $250,000, and the amount added to surplus. The company has recently been very hard hit by losses incurred on bonds written in Chicago, West Point and San Francisco. A verdict for $60,000 was recently granted in favor of the town of Cicero, Ill., whose treasurer the company had bonded through its Chicago office, although its then president, John J. Caullet, scored the agent for assuming the risk. Other heavy claims filed against the company are those of the creditors of the Church Construction Company, for which a reserve of $14,000 is being carried; Contra Costa County, Cal., which demands $19,000 for the defalcation of its treasurer, who was bonded by the Metropolitan, and the State of Michigan, whose claim of $25,000 is on account of money lost through the Chelsea Bank in Chelsea, that State, on which the surety company carried a depository bond. The company has withdrawn from Connecticut, and several other States.

It was voted at last Tuesday's meeting of the **Boston Board of Fire Underwriters** that in buildings rated by schedule, and used wholly or partly for automobiles, where a guarantee has been filed that there will be no filling, lighting, emptying or extinguishing, that the following clause, known as the **clause for operating automobiles,** may be used in place of the clause known as permit for automobiles using gasoline (being the same as that of the New England Insurance Exchange):

Permission is hereby given to operate electric and gasoline explosion automobiles in the within insured premises; it being a condition of this permit that this insurance excludes any loss or damage to an automobile or any of its parts, or its contents, caused by fire originating in the automobile itself, and that no filling of gasoline reservoirs shall be done in the building, and that no steam automobiles, using gasoline for fuel, will be operated or lighted in the building, and that all excess of gasoline over that contained in the said reservoir or reservoirs shall be kept underground or outside of, and at least 30 feet removed from, said building.

If the said buildings are occupied by automobile expresses for loading and unloading stations the words "or its contents" may be stricken out of the clause in order to allow insurance on the contents of the automobile express wagons in such buildings. The explosion clause of the board was amended by striking out the words "on the premises," so that it now reads as follows:

In consideration of an additional premium equal to 10 per cent. of the amount of premium otherwise due on this policy it is agreed that in the event of any explosion, fire ensuing, this company shall pay the loss on the property hereby insured, if injured by fire, at the value thereof before the explosion; provided that if there be other insurance upon the property damaged this company shall be liable only for such proportion of the loss or damage as the amount hereby insured bears to the whole amount insured thereon, whether such other insurance contains a similar clause or not.

That **America** is the **"slaughter house** of the world" is shown by the following statistics from the Los Angeles *Record:*

How much does America pay every year in human life for her civilization? The Government is always discovering remarkable facts through its various bureaus of statistics. This is one of the most startling of all. More people are being killed every year in the United States during times of peace than in the bloodiest battles of history. America is the world's slaughter house for human beings. It is the price America pays for her civilization. During a single year 57,513 American men, women and children were killed by accident. During the last nineteen years the railroads of America have killed 143,527 persons. During the same period 931,450 persons have been injured by American railroads. The railroad toll alone for twenty years has been more than 1,000,000 American fathers and wives and children. During the last seventeen years American coal mines have killed 22,840 men, made at least 10,000 widows and upward of 40,000 orphans. The total life cost of the Civil War, from disease as well as death, was less than 300,000 lives. In the War of the Revolution the American dead and wounded together numbered less than 8,000. The total cost of Cuba and the Philippines has been less than 2,000 American lives. During a single year American street railways killed and injured a few less than 49,000 persons. In New York the record of twenty-seven days alone showed 42 deaths and 5,500 injuries. Every year 6,000 Americans lose their lives in fires. American industrial plants are estimated to kill every year at least 25,000 men, and to injure 125,000 more. American building operations cost 3,000 lives every year, and 10,000 other persons sustain injuries. Pleasure costs more than 1,000 American lives each year. The American automobile accidents of last year took 229 lives, without estimating the thousands more or less seriously injured. American drownings last year numbered 492. There are 1,000 American murders each year. Each American Fourth of July costs approximately 500 lives, with injuries to 4,000 other merrymakers. All of which means that each and every year the United States yields up the lives of 60,000 of its citizens in payment for its civilization.

A novel suggestion regarding the **bonding of postal employees** was made in the annual report of First Assistant Postmaster General Grandfield, made public this week. He advises that Congress pass a law authorizing the department to collect an indemnity fund from officers and employees of the Government in lieu of having them pay so much a year as premiums to bonding companies for the furnishing of bonds. He says that the average annual collections from surety companies and individual bondsmen on account of defalcations of postmasters and employees of the Post Office Department amount to less than $32,000, and thinks that if the department can abolish such bonding much time, work and money will be saved. The salaries of the employees of his bureau alone, who are engaged in the work incident to bonding, amount to more than $20,000 a year. Mr. Grandfield says the number of bonded officers and employees in the entire postal service, including mail contractors, is 238,513, and that the estimated amount of the premiums paid on the bonds by employees and contractors is $320,000, representing more than $200,000,000 as surety. The following comment on the suggestion is made by the Boston *Transcript*, which says:

Either the bonding business is extremely profitable or postal employees are more honest than the average of mortals. The Postmaster General's recent report showed that the average annual collections from surety companies and individual bondsmen amount to less than $30,000, while, he believes, the premiums paid to surety companies by postal employees aggregate annually $200,000. Such a showing ought to reduce the rates, even if it does not induce the Government to undertake its own bonding.

The practice of **underinsuring fidelity risks** has often been a costly one to financial institutions. When the defalcation occurs the amount of the bond is found to be a very small proportion of the loss. The following remarks of the *Monthly Bulletin* of the Fidelity and Casualty are very apropos in this connection:

In most kinds of insurance people are careful to take out policies to the full value of the property protected. In fidelity insurance they frequently follow a different rule, and deliberately procure bonds of smaller amount than the amount the person bonded could easily steal if he were disposed to steal at all. This is illogical and generally unwise. It continually happens in our experience, as it does, no doubt, in that of other companies, that our bonds fall far short of the amounts actually stolen. Whenever that is so the assured, of course, has been carrying his own risk in part, with the consequence that he has to pay for his failure to take a bond that is commensurate with the exposure to loss. The cost of fidelity bonds is so trifling—persons new to the business are invariably surprised when they learn how small the premiums are—that wise employers should consider always what amount of security will give them the protection they require. Having settled that point, they will obtain a bond accordingly, without regard to the slight increase in cost.

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The **Massachusetts Accident Company** of Boston commemorated the rounding of a quarter century of existence with a dinner at the Quincy House Tuesday night. The officials of the company, headed by President G. Leonard McNeill, its field force and numerous invited guests, made up a party of over 150. Among those present were President Edson S. Lott, of the United States Casualty, president Board of Casualty and Surety Underwriters; Franklin J. Moore, United States manager General Accident; A. B. Cilley, United States manager Norwich and London Accident, and Sidney N. Moon, manager accident and health department Columbian National. There was little attempt at serious speech making.

The Arkansas Attorney General, at the request of State Auditor Moore, has rendered an opinion on the question as to whether a **married woman** may become a **surety upon a bond** required to be filed by insurance companies with the State Auditor, as a condition precedent to doing business in the State, and binding her separate property as though she were not married. It is held that such bond could not be signed by a married woman, unless the bond is entirely sufficient without considering her as a surety.

The **United States Casualty** announces that it will open a **branch office** in **Boston** for its personal accident and health policies in charge of W. F. Rabbitt, of Washington, D. C., as manager. Mr. Rabbitt has been for years traveling special agent for the United States Casualty. Wm. M. Olive, of the office of James T. Phelps & Co., will join Mr. Rabbitt as assistant manager.

The total **defalcations** for the month of **October** as collated by the Fidelity and Casualty amounted to $683,149, distributed as follows: Banks and trust companies, $148,000; beneficial associations, $15,516; public service, $269,933; general business, $171,534; insurance companies, $1,138; court trusts, $5,059; transportation companies, $9,734; miscellaneous, $62,235.

Obituary.

James T. Phelps.

Shrewd, kindly, sensible James T. Phelps is no more. He succumbed to an intestinal disorder early Tuesday morning at his home in Hotel Beaconsfield, Brookline, Mass., after an illness of two months.

He was born at Chittenden, Vt., May 24, 1845, and after attending the public schools first in Burlington, and then in Chelsea, Mass., entered the Boston office of the National Life of Vermont, then in charge of his father, James T. Phelps, Sr., in 1857. Twelve years later he succeeded his father as State agent of the company for Massachusetts. He was made a director of the company in 1878, and became its first vice president in 1902. He built up a splendid business for the National in his field, and his unique and pithy advertisements, which became widely known, contributed not a little to his success. On January 1, 1897, he admitted J. Howard Edwards and Charles W. Gammons to partnership in his State agency, under the style of James T. Phelps & Co.

Mr. Phelps was one of the organizers of the Boston Life Underwriters' Association, and became its president in 1887-88. The association has never had more interesting meetings than those held during Mr. Phelps' incumbency of its chief office, and "old timers" remember with pleasure his bright and witty contributions to the association's serio-comic paper, the *Solicitor*.

In 1895 the "Life Insurance Sayings of James T. Phelps" were gathered into a volume and published by the National Life. The preface of that entertaining and instructive work began with an editorial characterization of Mr. Phelps, taken from THE WEEKLY UNDERWRITER of February 15, 1890, which stated among other things that "it is said that there are people who buy the Boston papers just to read Mr. Phelps' advertisements, which is certainly as rational a reason for buying a Boston paper as could be given." Here is a good example of the "sayings": "What is Thanksgiving? A delightful meditation on what the Lord has done for us. What is life insurance? A delightful meditation on what we have done for others."

As a member of the Boston Chamber of Commerce and the Merchants' Association, and as vice president and director of the Chelsea, Puritan and United States Trust Company, Mr. Phelps had been prominent in the financial circles of Boston. The Boston Chamber of Commerce on Wednesday adopted a feeling tribute to his worth, describing him justly as "a public spirited citizen; a diligent and faithful guardian of the business interests committed to his care; a genial and warm hearted man, who endeared himself to all with whom he came in contact."

He leaves a widow and a daughter, Mrs. J. Howard Edwards. The funeral took place Thursday noon in the chapel of the New Old South Church, Boston. The services were simple, befitting the character of the deceased. Among those who gathered to do him the last honor were President De Boer, Vice President Estee, Secretary Clarke and Director Dillingham, of the National; Vice President Appel, of the New England Mutual Life; Vice President Rand, of the John Hancock. The Boston Life Underwriters' Association sent a tribute of flowers. It was officially represented by Francis Marsh, Fred C. Sanborn and S. F. Woodman, and many others of its members were there, too.

Insurance Legislation.

Complete copies of all important bills in the legislatures affecting insurance are on file in the office of THE WEEKLY UNDERWRITER.

New Hampshire.

CONCORD, December 9.—The work of the State Tax Commission has been practically completed, the chief recommendation being that the railroad, savings bank and insurance taxes be retained, and that the State tax be discontinued. According to the report of the Insurance Department for the fiscal year ending August 31 last, the taxes paid by insurance companies amounted to $55,153.96, and the expense of supervision was $4,911.85.

Tennessee.

A bill to require all fire insurance companies doing business in Tennessee to pay agents a contingent commission of not less than 10 per cent. in addition to whatever flat commission they may elect to pay when the business is written, is expected to be introduced at the forthcoming session of the Legislature. It is provided in the bill, as already drawn up, that no fire insurance company shall hereafter be licensed in the State until it has filed a certificate so agreeing under oath. The penalty proposed in the bill for a company failing to file the certificate is revocation of

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license and a fine of $500 for every violation. The advocates of the bill pretend to see in the enactment of such a law a diminution of the fire waste of the State and a consequent reduction in rates.

Official Reports.

Arkansas Biennial Insurance Report.

That there are more fire insurance companies operating in the State of Arkansas than ever before in spite of the law of 1905, which forced so many to retire, is stated by Auditor Moore of Arkansas in his biennial report to the Governor. He maintains that practically all of the old line fire insurance companies driven out three years ago have returned. The Auditor urges radical changes in the laws regulating home mutual companies, which were enacted to meet conditions incident to the passage of the anti-compact law. He says in regard to this matter:

As was pointed out in my last report, the reserve required of these companies is insufficient to mature or carry to expiration term business. If business which has one year or less to run, it necessarily follows that it will require a greater per cent. of premiums to carry three and five year business to expiration. Again, the present law allows these companies a credit on the reserve for all the losses paid and to the extent paid; it almost always happens that these credits equal or exceed the reserve and leave the company with a volume of business on its books with no reserve whatever to meet outstanding liabilities. The management of some of these companies is largely chargeable for the breakers encountered. This suggestion may be regarded as gratuitous on my part, but observation convinces me that this is true. Efforts should be made to reduce the moral hazard to the minimum, to guard against overinsurance and if possible to get more nearly on a cash basis. A large per cent. of premiums are settled by note, the little cash collected is absorbed by expenses, a loss occurs with nothing to settle it but premium notes, which are not current or readily convertible into cash; the result is a judgment, an execution and a receiver. The non-assessable policy feature of this law is a delusion and a snare and should be repealed. It is an attempt to accomplish the impracticable, if not the impossible. Insurers should know that when they take a policy in a mutual company they are subject to an assessment. The line between the mutual and the stock plan of insurance should be so sharply drawn and clearly defined that no one could be deceived. Eight of these companies were operating on March 1, 1907; two of them have since reinsured and gone into liquidation, and two are in the hands of a receiver, leaving four still operating.

The Auditor further recommends a change in the existing law relating to surety company bonds, and criticises the practice of permitting surety companies with no property in the State to go on the bond of another insurance company. He favors a deposit of $50,000 being required from surety companies in convertible securities before permitting them to go on other companies' bonds. He says:

The bonds of all foreign insurance companies are made by surety companies; one surety company makes the bond of another surety company, and the second surety company makes the bond of the first one, and so on around the circle. The result of this law is that the bond of every insurance company is made by a surety company whose bond is made by another surety company without a single asset or dollar's worth of property within the jurisdiction of the courts of this State. No trouble has thus far arisen from this state of affairs, but I regard such security as entirely inadequate to fairly protect the immense interests involved. I would recommend that the law governing the surety companies be so amended as to require every such company before being authorized to make bonds for insurance companies, to deposit with some State officer convertible securities amounting to not less than $50,000 for the protection of its contracts; and, further, that each individual risk assumed be limited to 10 per cent. of the paid-up capital stock of such company. Our present law provides that these companies may engage in business in this State by depositing with the Auditor, or elsewhere, approved securities, or in lieu of this, execute a bond in the sum of $50,000. It is the universal practice of the commissioner to require the bond, because if they are allowed to operate in this State on securities deposited in New York or any other State than this the same difficulty of jurisdiction arises.

Miscellany.

Taxation Discussion at Meeting of Association of Life Insurance Presidents—Joint Committee Appointed to Apply Remedy.

The second day's conference on taxation under the auspices of the Association of Life Insurance Presidents was successful in continuing the interest shown on the opening day. There was a large amount of discussion of the subject from various viewpoints, as was only to be expected when it is considered what a broad representation of companies was there.

At the close of the morning's session a resolution submitted by President Paul Morton, of the Equitable Life Assurance Society, was passed, providing that the remedy be applied by a committee composed of the executive committee of the American Life Convention, the Canadian Life Officers' Association and the executive committee of the Association of Life Insurance Presidents, who shall take up the matter jointly. Mr. Morton's resolution as adopted was as follows:

Whereas, The able papers presented yesterday and the discussion of today indicate a unanimous feeling that life insurance taxation should be more consistent, uniform and less burdensome to policyholders,

Be it Resolved, That it is the sense of this assembly that the entire question be referred to the executive committee of the American Life Convention, and of the Association of Life Insurance Presidents, and a committee or representatives of the Canadian Life Officers' Association for such action as they may deem necessary, it being understood that, so far as possible, they cooperate with a committee representing the State Superintendents of Insurance.

PROCEEDINGS OF MEETING.

The meeting was called to order by Mr. Cox shortly before 11 o'clock, who stated in passing that he had with him a list of the States as they taxed life insurance companies in 1871, when the insurance commissioners had their first convention. Then twenty States and Territories did not tax at all, six States taxed reciprocally and three had local taxes only. There were then twenty-one States in all which taxed life companies. All but one State have now imposed taxes on life insurance. He commented on the fact as a favorable indication that while in 1871 there were a number of States taxing over 2 per cent. on premium receipts, eight in all, every one of those eight States that taxed over 2 per cent. in 1871 had reduced its rate of taxation to 2 per cent. or below. All of the States today which tax over 2 per cent. in those days taxed less than 2 per cent.

EDUCATE PEOPLE SAYS CROUSE.

Insurance Commissioner Crouse, of Maryland, in opening the discussion called attention to the fact that the legislatures need money, and as real estate and personal property are already taxed all they can bear, it is but natural for them to turn to a business whose agents have for years been spreading broadcast tales of its wealth and security. In this way the companies have brought about their own troubles in regard to taxation, Mr. Crouse thought. It is therefore up to the companies to educate the people in the evils of the present tax system in the same way they have been educated regarding the strength and resources of the companies. Mr. Crouse further expressed himself as in favor of a tax sufficient to meet the expenses of supervision only, and said he thought a State had no right to levy for any other purpose on life insurance. In Maryland, he said, he had hard work to prevent increased taxation, and thus far had not dared to suggest any reduction, although he was heartily in favor of it.

The attention of the meeting was called to the International Tax Association by Lawson Purdy, of New York, who described how taxation in all its forms was considered by this deliberative body. He said that personally he could see no difference as regards taxation between fraternal insurance and stock companies.

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He condemned retaliatory legislation as a survival of barbaric customs, and claimed that all such legislation should be repealed as incompatible with the spirit of the times.

INTEREST POLICYHOLDER.

President George A. Peake, of the Central Life of Des Moines, said that every policyholder should unite in an effort to gain relief from excessive taxation. He said that there were certain legitimate expenses which should be borne by insurance companies to provide for supervision. He entered into quite a dissertation on the benefits of the life insurance business and stated that the life insurance premium itself was a voluntary tax levied by unselfishness to provide for the future. He said that every dollar of tax beyond the cost of supervision was therefore depriving the widow of what her husband had intended to leave her. He said that since it has been the policy of all States not to tax the insurance issued by fraternal orders because the legislatures wisely reasoned that the carrying of insurance was beneficial to the State in protecting it from the support of dependent widows and orphans, so stock companies should not be legislated against for trying to do the same thing.

PROPOSES EDUCATIONAL CAMPAIGN.

Secretary Sidney Foster, of the Royal Union Mutual of Des Moines, urged co-operation with policyholders by conducting an energetic campaign of education. He said that such a course in Iowa had been productive of much good, and in that State over 40,000 policyholders had been communicated with and informed that they paid the tax. He received 4,000 replies, he said, which showed that policyholders did take an interest in the subject. They all offered their co-operation in helping to carry out the reforms. He advocated making the cause a common one by showing that the principle of double taxation must be avoided.

President L. G. Fouse, of the Fidelity Mutual Life of Philadelphia, presented some remarks from a pamphlet he had with him, which stated the system employed toward taxing insurance in England. He showed that England had long ago discovered that life insurance operated to reduce poor rate expense 40 per cent. He read how in England one-sixth of a person's income is exempt from taxation if expended for life insurance. He said that that condition had existed since 1853, and that no effort has been made to change this provision. Referring to the 1 per cent. basis proposed by President Dryden, Mr. Fouse expressed himself as heartily in accord with the idea.

JOINT COMMITTEE PROPOSED.

Wilmer L. Moore, of Atlanta, of the Southern States Life, urged the appointment of a committee to co-operate with one from the American Life Convention in urging a reduction of taxation. He also alluded to the action of the supervising authorities in Alabama, looking to the reduction and possible elimination of municipal taxation in that State. He said that licensed taxes varied from $5 to $300. He told how Deputy Insurance Commissioner Sexton tried to take the taxation question up with the mayors of the various municipalities, but out of 200 letters sent out he received only four or five responses, and two were in sympathy with his ideas. Mr. Cox supplemented Mr. Moore's remarks by presenting the letter sent out by the Deputy Commissioner of Alabama in connection with municipal taxation, and made it a part of the record of the meeting. He elicited considerable applause by stating that a telegram from South Carolina had been received in connection with the suit being prosecuted there regarding municipal taxation. The judge had held that municipalities had no right to impose such a tax.

NEED OF UNIFORMITY.

President Clinton A. Dean, of the State Mutual Life of Rome, Ga., said that the life insurance interests were agreed on the need of uniformity, and he believed that the thing to do was to refer the whole matter to the executive committee, as the American Life Convention had done. He thought that results could be accomplished by the Association of Life Insurance Presidents acting with the American Life Convention.

President Felix G. Cross, of the Columbia Life of Cincinnati, added to the ideas by Mr. Moore and Judge Dean by suggesting a joint convention of life insurance officials acting with the governors of the various States.

CONFIDENCE AND CO-OPERATION.

President Isaac Miller Hamilton, of the Federal Life of Chicago, spoke a word for confidence between companies and co-operation between policyholders. He said the companies must consider a method whereby the policyholder in a State where the tax is light gets the benefit from such a condition in his policy dividend. This manner of acting he thought would invite the policyholder's confidence.

RESULTS OF CO-OPERATION IN CANADA.

Managing Director M. J. Goldman, of the North American Life of Toronto, who is vice president of the Canadian Life Officers Association, told what co-operation had done in Canada and how the Canadian companies had fought the proposal made from time to time to double the tax against the American companies, and how the idea had been killed through the Canadian companies' idea of fair play. He told how a compromise was made in Ontario by which a tax of 1 per cent. was agreed to on the understanding that this should be in lieu of all other taxes. He expressed the opinion that but for the work of the officers' association the taxes in the Dominion would be three times as heavy at the present time.

President Jesse R. Clark, of the Union Central, told of the difficulties of the Legislature in providing revenue. He suggested cutting down the tax gradually so that in five years the minimum of 1 per cent. would be in force. Then, he said, they could work for the 1 per cent. on net premium proposition.

President Samuel B. Smith, of the American Life Convention, who is counsel of the Volunteer State Life of Chattanooga, doubted the expediency of touching the taxation question this year at all.

Manager B. Hal Brown, of the London and Lancashire Life of Canada, said the tax should be placed on the loading and not on the reserve of policies. He commented on the fact that often after a government has licensed a company under certain conditions it later on changes these conditions, and the contracts in force are jeopardized by the imposition of a tax.

Actuary James M. Craig, of the Metropolitan Life, entered the discussion at this point, and commended the 1 per cent. tax proposition laid down by President Dryden. Other speakers at this point were H. S. Vail, of Chicago; H. B. Arnold, of Columbus, Ohio, and Insurance Commissioner Rittenhouse, of Colorado.

At the close of the morning session President Morton, of the Equitable Life, introduced the resolution previously referred to which placed the remedy for existing conditions in the hands of a joint committee of the various life organizations. Adjournment was then taken for lunch.

AFTERNOON SESSION.

Vice President Haley Fiske, of the Metropolitan Life, offered a resolution thanking the gentlemen who prepared formal papers and congratulating Manager Cox, of the association, on the success of the conference. President Cross, of the Columbia Life of Cincinnati, offered a resolution thanking the officers of the Metropolitan Life for their courtesies as hosts.

The discussion was continued with considerable interest in the afternoon session, but few new points were brought out. Probably the most interesting feature was the defense by Commissioner Love, of Texas, of the obnoxious laws affecting life insurance in that State. Mr. Love explained his position toward the life insurance companies with considerable detail, and when he had finished stating his views he was quizzed by several of the officers present as to the interpretation and working out of

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the laws. Mr. Love took the position that a tax on life insurance was necessary in his State, and called attention to the fact that the 3 per cent. tax on premiums is the only one affecting life insurance. He said he had recommended that this be reduced. He said there was no franchise tax, no occupation tax or retaliatory tax on the Texas statute books. He said further that he could see no good reason why life insurance assets should not be taxed, as long as everything else was taxed. If the life insurance business is a beneficent business, so is the grocery business. He favored agreeing on an equal basis of taxation in the different States, such taxation to be measured by gross premium receipts, and that such tax shall be in lieu of all other taxes and departmental fees. He said he feared that a bill to tax the reserves of life insurance companies would be introduced if the subject of life insurance taxation was too much pressed, holding the opinion as he did that the life insurance companies were getting the best of the bargain on the taxation question. He said that he wanted it understood that the 75 per cent. investment bill in Texas had not been passed in a spirit of reprisal or with undue haste, but that such a measure represented the deliberate judgment of the people of his State. Others who participated in the discussion were W. C. MacDonald, of the Confederation Life of Toronto; Insurance Commissioner Henry, of Mississippi; Percy H. Papps, actuary of the Mutual Benefit Life of Newark; Frank P. Manley, vice president of the Indianapolis Life, and F. L. Hoffman, statistician of the Prudential. The meeting adjourned shortly before 4 o'clock.

Governor Hughes Opposes Another Life Insurance Investigation—His Letter to Chamber of Commerce.

The New York Chamber of Commerce on Tuesday received from Governor Hughes of New York the reply to the request of that body for the appointment of a committee of five to investigate the conditions of domestic life insurance companies. The letter of the Governor was as follows:

ALBANY, December 7, 1908.

Mr. Sereno S. Pratt, Secretary Chamber of Commerce, New York City:

DEAR SIR—I have the honor to acknowledge the receipt of your letter under date of the 4th inst., enclosing copy of preamble and resolution adopted by the Chamber of Commerce, requesting me to appoint a commission to investigate the conditions surrounding the life insurance companies of this State.

While I should be glad to comply with any request of your honorable body, it does not seem to me that it is advisable to appoint such a commission at the present time. We have recently had an investigation of life insurance companies, and several provisions of the insurance law to which reference is made in the resolution did not become effective until January 1, 1907.

Thus far, the report of experience of one year only, under these provisions of the amended law, is available. My attitude toward the matter was thus stated in my speech accepting a renomination for the office of Governor:

"There cannot be too great care in protecting the interests of the policyholders, and I desire that nothing should be left undone to procure the faithful enforcement of the laws which have been enacted for their protection. Through the operation of these laws important economies have been secured and conservative management has been promoted.

"If experience shows that in any particular these are too drastic amendment should be made. I vetoed a bill passed at the last session which would have modified restrictions upon expenditures because it was not a conservative measure, such as it was well known I did not view with disfavor, but would have opened the door to extravagance, and facilitated a return to old conditions.

"I have but one desire in this matter, and that is to conserve and promote the business of life insurance, than which there is none more important, and adequately to protect the interests of the policyholders, from which those of the companies and agents cannot properly be divorced." This expresses my position.

If your honorable body, or others interested in the matter, desires to suggest any particular amendment of the law, I shall be very glad indeed to give it the most careful consideration, and if in the course of the coming legislative session any bill shall come before me involving any amendment of the law it will be carefully examined. But while I shall be glad to study any specific proposal which may be presented, I do not think the time has arrived for the appointment of a commission, as suggested by the resolution.

With assurance of my respect, I have the honor to remain,

Very truly yours, CHARLES E. HUGHES.

The Fire Hazard of Celluloid.

An interesting address on celluloid from the fire insurance point of view was delivered on Monday evening by Charles L. Purdin, of the Commercial Union, before the Barebones Alumni Association of the New York University, who spoke as follows:

In preparing these notes for this evening I have done so with the thought that the information desired is more along the lines of the practical rather than of the theoretical. I will therefore confine my remarks to matters of my personal observation of "Celluloid."

Celluloid is the copyrighted name of a product of the Celluloid Company, of Newark, N. J., but the term is generally applied to the material made under other names, such as fiberloid, viscoloid, pyraline, etc., and broadly speaking all of these products are made of the same materials and in about the same manner.

Tonight while it will be more convenient for me to use the term celluloid, I do so intending the word in its broadest sense, and meaning it to apply to this product variously named as before stated.

The subject is one that can be considered with profit at this time, particularly by those in our line of business, for celluloid is used in plants today where a few years ago it was never found. In hair brushes—where until a short time ago only ivory or enameled cement was used for the backing of bristles—sheet celluloid is now found. The old ivory rings used to decorate horse harness have been replaced by celluloid. Amber is now so closely imitated that it can be made clear or clouded as desired, and it is difficult to tell the difference between the real amber and the celluloid imitation. Imitation tortoise shell combs and other ornaments are made by the thousands in celluloid factories throughout the country. All of these articles find their way into our stores, where their handling is frequently far more hazardous than in the factory, because of lack of knowledge as to the danger in the material.

COMPOSITION OF CELLULOID.

Celluloid is composed of the following: An acid mixture (largely nitric and sulphuric acids), tissue paper, camphor and alcohol. Dry colors are added according to the shade desired at a point I shall mention later. The acids are usually prepared at the chemical works and not mixed at the celluloid plant.

Tissue paper is received in the original roll from the paper mill, and under a revolving knife is cut into small pieces, picked up by a blower system and forced through pipes to a hot air drying room, where it remains for from fifteen to twenty-four hours at a temperature of 75°. The drying process is intended to take all moisture from the paper, inasmuch as any water remaining would tend to reduce the strength of the acids, which are next introduced. After the paper is properly dried it is removed to a room where it is treated with the acids.

PROCESS OF MANUFACTURE.

The paper is usually conveyed from the drying room to the acid department in wheelbarrows and placed in a large tub over which are faucets, with filter bags attached, from which flows the acid mixture pumped from the storage tanks.

The action of the acid immediately changes the paper in color from white to a dirty yellowish brown, and from this mass there arises a heavy stifling vapor, which vapor is so corrosive that sprinkler heads in this room must be frequently changed if a sprinkler system is to be depended upon.

The nitrated matter remains there but a few minutes and is then removed to tubs, where a very thorough washing process is commenced. Water only is now used in the effort to remove all the remaining or unabsorbed acid. The washing continues for from twelve to twenty hours, and the pulp passes through numerous tubs, in which there is a constant flow of fresh water. It is then placed in a beater, after which it stands in open tanks to allow the water to drain off. Then it is passed on to a "whizzer," where much of the remaining water is forced out.

When the substance is ready for the next treatment there remains no trace or odor of the acids. The pulp is then placed in a hydraulic press, where any water that may be present is pressed out, leaving the nitrated paper pulp in a very hard round cake

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from 10 to 12 inches in diameter and from 2 to 3 inches thick. These cakes are taken to the breaker room, where under a revolving knife they are cut into very small pieces.

THE CAMPHOR TREATMENT.

The material is then removed to the camphor room, where it is sprinkled with camphor diluted with alcohol. Dry colors are added if any shade other than translucent is desired, and the substance placed on steam heated rollers.

This is one of the danger points, as the raw material will fire by direct heat at 250°. It is necessary, therefore, that the rollers shall be carefully watched. This work is required to thoroughly combine all the properties previously mentioned. It takes from two to three hours to properly roll each sheet.

When the celluloid leaves the hot cylinder rolls it is placed under a press, from which it comes in sheet form about 5 feet long, 3 feet wide and from 2 to 6 inches thick. It is then cut into sheets of various thicknesses and placed in a seasoning room, where it remains for at least thirty days.

These seasoning rooms are heated by hot air to temperatures of from 75° to 100°. The temperature is very carefully watched to insure proper curing.

FIRES IN CUTTING ROOMS.

There have been numerous fires in the cutting or breaker room. usually caused by hot bearings or foreign matter in the stock. The operation of this department should be treated similar to that of a picker room in a cotton or a woolen mill, viz., the work should be done in a removed building, and the quantity of stock kept in the building should be reduced to the lowest amount possible.

In one of our largest and most progressive celluloid factories they have succeeded in eliminating this breaker room hazard by the introduction of a separate process. After the paper pulp leaves the "whizzers" in this new process the pulp is weighed and the proper quantity of denatured alcohol is poured over it. It is then put into the hydraulic press. When the compressed matter is removed from the press it is not hard, but very mealy and can be broken by hand. When it reaches the camphor room ground camphor is added dry. The alcohol remaining in the pulp is sufficient in quantity to dissolve the camphor. This change in process will eliminate the breaker hazard. This, then, is the actual making of celluloid.

HAZARD OF SEASONING ROOMS.

Mention has just been made of the seasoning rooms. This necessary feature in the manufacture of celluloid is usually arranged for in detached buildings, and the stock is placed there only to allow the alcohol fumes to depart. With the atmosphere at from 75° to 100° this evaporation is complete in from twenty to thirty days. It is essential that sufficient ventilation shall be provided to carry off all of the chemical fumes, and there must also be an entire absence of any exposed artificial light or flame. It is claimed that any fire at this point would at once cause an explosion. I know of a seasoning building which an employee entered with a lighted pipe. Almost immediately an explosion took place, the man was badly injured and the entire stock valued at over $15,000 was burned. The roof was carried away by the explosion and the brick walls were shattered and cracked. The fire had its lesson for the manufacturers, however, and as a result the newer seasoning buildings are models.

PROPER CONSTRUCTION OF SEASONING ROOMS.

The new buildings are of reinforced construction, with roof beams of light steel strips, to which are fastened sheets of corrugated asbestos. The walls at the sides are about three feet higher than the roof, and project from 12 to 18 inches beyond the front and rear walls from a point about half of the height of the building. The roof is provided with a huge iron ventilator, the theory being that in the event of fire and the expected immediate explosion the lightly constructed roof would at once be carried away without other damage to the building. These new buildings are also made smaller, so that the manufacturer expects to have not over $5,000 in value in any one.

MANUFACTURING COMBS.

One of the chief products from the manufactured celluloid is the comb. Two methods are followed in making it. First in the manufacture of the cheaper article the comb is pressed out under a stamping machine. Little hazard here exists. In another method the teeth are cut by small circular saws, and because of the large amount of dust resulting this has rightly been considered a dangerous work. In one large plant in New Jersey this sawing is now done under water, each saw operating under an open spigot. The wet dust is not dangerous, and owing to the continuous flow of water the dust is constantly removed from the table.

When the old process was followed you can readily understand the great danger, for at this one factory it is usual to have 300 saws working at one time. I might state here that there is very little waste in the manufacture of celluloid and its products. In the case just mentioned the dust is washed from the tables and carried through pipes to a large tank under ground and outside of the building. At regular intervals the wet dust is removed, taken to another department and the camphor is reclaimed. This reclaiming of camphor is made necessary because of the high price of that article.

MUST ELIMINATE DUST.

The absence of dust in any part of the work is an important feature from a fire insurance standpoint. The dry dust is removed in most factories by an exhaust system, which in one recent case was known to be responsible for a serious fire loss.

Almost all articles must have rough places smoothed down after being pressed or sawed. The buffing wheels on which this work is done are made of cotton cloth, tampico or corn husks. The dust feature is apt to be prominent here, and if possible this work should also be done wet.

To obtain the highly polished surface in celluloid the sheet after being seasoned is placed between nickel plates and heated. Steam tables are used throughout the process in making articles from the finished celluloid. The action of the heat makes the celluloid pliable.

In both of these cases, as well as in the pressroom, the danger lies in any excess of heat in view of the inflammable nature of the stock.

RECENT CELLULOID FIRES.

Concerning celluloid fires of recent occurrence and the story of one instance in which the celluloid was only damaged by fire and almost at once extinguished by water, the following may be of interest:

In a very large celluloid manufacturing plant in New England, an employee was engaged in cleaning one of the tanks in which the nitrated paper is washed after coming from the acid room. These tanks in some factories are lined with sheet celluloid—this was the case in the present instance. The man had washed the tank and was using a portable incandescent electric light to detect any sediment or dirt that might have remained after the washing. Being called to the other end of the building he placed the electric bulb, still lighted, on the edge of the tank, in a few seconds there was a flash and the interior of the tank was ablaze. The damage was not great, but it prominently illustrates one fact, which is frequently denied in chemical text books, which state that "celluloid cannot be made to explode by heat, friction or percussion," and in a recent report, after a careful examination by an insurance laboratory committee, they say: "At least 50 per cent. of samples of celluloid of all grades and classes, transparent and opaque, if gradually heated from 310° to 350° Fahr., will explode with flame and considerable energy."

After the celluloid has been properly seasoned, and before it is worked up into various articles, the "blanks" are stamped out. These blanks are laid on steam tables, the action of the heat making the material pliable. At this point in a celluloid comb factory a short time ago sheet celluloid ignited on a tray at the comb stamping machine. The stock had been heated on the softening table and stamped in tooth machine and laid in piles on a tray when suddenly the stock took fire. This fire was attributed to overheating of the stock, and it is claimed that such fires occasionally happen in risks of this class.

In another recent fire in a celluloid manufacturing plant the cause is attributed to foreign substance in the stock, the fire occurring under the knife in the breaker room, where you will doubtless recall the hard cake is placed after coming from the hydraulic press, and where under a rapidly revolving knife the compressed nitrated pulp is cut into small pieces. To illustrate the danger that is anticipated at this point I might state that in one plant I have seen a cluster of sprinkler heads, five in number, placed not more than 18 inches over this knife, and in addition to that precaution there is at about one foot and a half above the sprinkler heads a large iron shield to protect the upper part of the room.

In another large plant it seems that they were in the habit of piling large quantities of the finely cut nitrated pulp on the floor of the mixing room. At the time of this fire it is reported that there was from 6,000 to 6,500 pounds of this material piled in the room. It is stated that there was a sudden flash almost immediately followed by a heavy explosion, which lifted the roof of the building, and consequently destroyed the sprinkler equipment in the room. The reasons given for this fire are various. One theory is that the pile of nitrated pulp had been placed in front of a hot air duct, and that heat passing through the unclosed duct allowed the hot air to blow onto the pulp. Another claim is that particles of the ground nitrated pulp had

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gradually worked under the baseboard around the edges of the wooden floor, and that the chemical action of these particles and the decayed wood caused the fire and the resultant explosion.

At Leominster, Mass., a short time ago an interesting fire occurred in which water promptly extinguished the fire that had reached trays of finished combs. The building was a frame structure, the first floor of which was used for mercantile purposes, the upper parts variously occupied by small manufacturing concerns. On the ground floor in one of the stores a tailor had been using naphtha or gasoline in the window of his shop and in some way the liquid caught fire, the flame immediately cracked and broke the window glass and ran up the front of the building. Standing on the window sills of the second floor (the upper windows were opened) were trays of combs; the flame from below immediately set fire to this stock, but a sprinkler head over the window opened and extinguished the flames. The backs of the combs were blistered and charred. I believe, however, that this is a very unusual experience. The most common occurrences of fire in celluloid manufacturing plants will be found in explosions from "unknown causes."

Rate Reduction Ordered in New York City's Congested District and in Brooklyn.

The long desired reduction in rates in certain sections of the so called congested districts in New York and in Brooklyn were made on Wednesday at a meeting of the New York Fire Insurance Exchange. The resolution was adopted after comparatively little debate, after hearing the recommendations of the joint committee on the subject. Reductions were made as follows:

In the section bounded by Chambers street, North River, Fourteenth street and Oliver street a reduction of 10 per cent. is made on all mercantile rated risks excepting risks marked on cards excess manufacturing 1, 2 and 3, and upon these a reduction is made of 5 per cent.

In the section bounded by Fourteenth street, North River, Twenty-third street and Broadway a reduction of 5 per cent. is made, except on risks marked on cars excess manufacturing 1, 2, and 3, there being no reduction on these excepted risks.

In the section bounded by Chambers street, Bowery, Fourteenth street and East River a reduction is made of 10 per cent. on all specifically rated risks except risks marked on cards excess manufacturing risks 1, 2 and 3, and upon these a reduction of 5 per cent. is made.

In the section bounded by Fourteenth street, Twenty-third street, East River and Broadway a reduction of 5 per cent. is made on all specifically rated risks except those marked on cards excess manufacturing 1, 2 and 3, on which no reduction is made.

In the Brooklyn section bounded by Boerum place, Fulton street, Court street and East River front to Erie Basin, known as District No. 3, the district charge of 20 per cent. has been removed on account of the high pressure service.

In what is known as the Kent avenue district of Brooklyn the 10 per cent. district charge which remained (after 10 per cent. was taken off a short time ago) has been removed on account of the greatly improved regular water supply.

The Williamsburg and Greenpoint district has its 20 per cent. district charge removed on account of greatly improved regular water supply.

Throughout the entire territory of the Exchange the following risks are again subject to the reductions which they enjoyed prior to May 4, 1906, viz.: Livery stables, 10 per cent.; breweries, 20 per cent., and theatres, 20 per cent.

All existing policies dated October 1, 1908, and later can be reduced as above, but no reduction can be given on policies of prior dates, nor can they be cancelled other than at short rates.

Resolutions were forwarded to the Fire Commissioner, Merchants' Association, Board of Trade and Retail Dry Goods Association relating to the great need for a new fire alarm system and the necessity for better management of the high pressure system.

NOTICE

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UNITED STATES BRANCH.

JANUARY 1, 1908

Assets	1,545,432.69
Liabilities	1,063,661.55
Net Surplus	$481,771.14

HON. GEO. A. COX, President. W. R. BROCK, Vice President.

W. B. MEIKLE, General Manager.

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THE Fidelity and Casualty Company,

97-103 CEDAR STREET, NEW YORK CITY.

Assets, $7,537,429.91.

Capital and Surplus, $2,013,400.24.

Losses Paid to January 1, 1908, $26,629,131.90.

This Company grants Insurances as follows:

Bonds of Suretyship for persons in positions of trust,
Fidelity Bonds, Burglary, Plate Glass,
Steam Boiler, Flywheel, Employers',
Public, Teams, Workmen's Collective,
Elevator and General Liability;
Personal Accident, Health
Physicians' Liability and
Bonded Attorneys' List.

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Second Vice-President
The Mutual Life Ins. Co. of New York
34 Nassau Street, New York, N. Y.

1860 48TH YEAR 1908

HOME LIFE INSURANCE COMPANY

OF NEW YORK.

GEORGE E. IDE, President

ASSETS, $20,004,853.63. LIABILITIES, $19,235,418.20.
(Including Dividend-Endowment Fund)

Dividend-Endowment Fund (Deferred Dividends)	$1,795,020.00
Net Surplus	769,435.43
Insurance in Force	86,193,296.87

The forty-eighth annual report shows a gain in the amount of insurance in force; that assets were increased nearly $1,000,000, and that over $300,000 was paid to policyholders in dividends.

The Connecticut Mutual Life Insurance Company

Stands alone among the American companies of any note, in having repaid to its members, their beneficiaries and estates, in annuities, endowments, death claims, surrender values and dividends, more than it has received from them in premiums. These are the totals:

Received since organization—1846	$249,356,745.45
Repaid as above noted	253,641,382.54
Excess over amount received	4,284,637.09
Assets December 31, 1907	65,603,271.10
Surplus December 31, 1907	2,326,657.25
Insurance in force December 31, 1907	174,716,005.00

President, JOHN M. TAYLOR.

1825. THE 1908.

Pennsylvania Fire Insurance Co.

OF PHILADELPHIA.

Cash Capital	$750,000.00
Reinsurance and all Liabilities	4,096,833.14
Surplus	1,615,283.97
Total January 1, 1908	$6,462,117.11

R. DALE BENSON, Pres. W. GARDNER CROWELL, Sec.
JOHN L. THOMSON, Vice-Pres. HAMPTON L. WARNER, Asst. Sec.
WM. J. DAWSON, Sec. Agency Dept.

London Assurance Corporation,

CHARTERED A. D. 1720.

Surplus in United States January 1, 1907, $650,599.91.

CHAS. LYMAN CASE, Manager.
84 William Street. NEW YORK.

[FIRE]

German American Insurance Company New York

STATEMENT JANUARY 1, 1908

CAPITAL
$1,500,000
RESERVED FOR ALL OTHER LIABILITIES
7,592,685
NET SURPLUS
4,415,353
ASSETS
13,508,038

FIREMEN'S

Insurance Company of Newark, N. J.

ORGANIZED 1855

CAPITAL,	$1,000,000.00
ASSETS,	4,701,068.80
SURPLUS TO POLICYHOLDERS,	3,148,371.45

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A. H. HASSINGER, Secretary

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LEWIS & FREAR, Agents, . . . 145 Montague Street, Brooklyn
H. W. BEALS, Suburban Agent, . 76 William Street, New York

Insurance Co. of North America,

232 WALNUT STREET, PHILADELPHIA.
FOUNDED 1792.

Assets, January 1, 1907		$10,748,864
LIABILITIES—Reserved for Reinsurance and all other claims	$6,705,870	
Capital Stock	3,000,000	
Surplus over all Liabilities	1,042,994	$10,748,864

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The Weekly Underwriter:

AN INSURANCE NEWSPAPER.

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CHARLES A. JENNEY, President and Treasurer. L. ALEXANDER MACK, Secretary.

JUST one year ago Justice Dowling, of the New York Supreme Court, dismissed all the indictments which District Attorney Jerome had induced the grand jury to bring against the president of the Metropolitan Life insurance company for forgery in authorizing false entries on the books of the corporation, with the remark, "I have read carefully every line of testimony submitted to the grand jury, and there is nowhere a suggestion of criminal intent in anything that was done. In the case at bar it does not even appear that anyone has been deceived. Having reached the conclusion that not only has no intent to defraud been proven by the testimony taken before the grand jury, but that from such testimony no intent to defraud can be inferred, the motion to quash the indictments for forgery is granted."

The district attorney appealed from this decision to the Appellate Division of the Supreme Court, and there was made public this week the unanimous opinion of that body, sustaining Justice Dowling. The language used by the court is:

> It follows that the statment of these entries in the books was not an untrue statement, and therefore not forgery. We also agree with the court below that there is an absolute lack of any evidence of intent to defraud, but that all the facts show that there was no such intent, and that the company was not in fact defrauded. * * The case is bare of the slightest intimation that these entries were made with any such intent * * there certainly cannot be any foundation for the crime of forgery.

Thus was President Hegeman triumphantly vindicated from the charge of forgery which the district attorney, with some reluctance and apparently under pressure from debased newspaper clamor, preferred. There remained another charge which he had made against the president; that of perjury in swearing to the truth of the annual report of his company to the State Insurance Department in the list of the assets of which report certain loans and the collaterals to secure such loans did not appear. It was asserted in the indictment produced by the district attorney that the omission of these items disqualified the report, and its verification by the president constituted perjury. His arrest was upheld by the city magistrate, and an appeal was taken to the Appellate Division of the Supreme Court. On this question, as on the other, the opinion of the court also made public this week, and reproduced on another page, was unanimous. It likewise exonerates President Hegeman. The court says:

> From the facts as they appeared before the magistrate, there can be no question but that the relator honestly believed he was making a true statement of the actual condition of the company on the 31st of December, 1904, and as an actual fact the statement that was made, and that the relator verified, was a true statement. Perjury is defined by Section 96 of the Penal Code to be "a person who swears or affirms * * that any testimony, declaration, deposition, certificate, affidavit or other writing by him subscribed is true, * * on any occasion in which an oath is required by law * * wilfully and knowingly testifies, declares, deposes or certifies falsely, in any material matter, or states in his testimony, declaration, deposition, affidavit or certificate, any material matter to be true which he knows to be false, is guilty of perjury." To sustain that charge, therefore, it must appear that the relator deposed falsely. If, as a matter of fact, the statement contained in the report was true, he did not depose falsely, and it would appear that upon the undisputed evidence the statement contained in the report was true, and therefore it would seem to follow that the crime of perjury was not committed.

Thus is President Hegeman triumphantly vindicated from the charge of perjury. The district attorney is beaten down at all points. Should it be true that he will persist in a further appeal it must be with a realizing sense of the hopelessness of his cause. In the proceedings against him before the Governor he was accused of negligence in prosecuting the life insurance officials. If he has a motive for perseverance it must find its cause in this. But Mr. Hegeman is beyond his reach, and we may well repeat what was said when the first accusation against him ignominiously failed, that no plot can ever succeed to discredit the man who has commanded implicitly the confidence of the policyholders and agents of the Metropolitan Life, and of the American people as well; a man who has given his whole life to the successful upbuilding of the greatest of institutions for the benefit of the working classes of the country.

THE fitness of Mr. Kelsey for administrative work was recognized in the urgent solicitation which was addressed to him by the State Comptroller-elect that he would accept the chief executive office in his department. "There is no man in the State of New York," says Mr. Gaus, "upon whom I could rely in that responsible office with more perfect security than yourself, and I sincerely hope that you will lay aside whatever personal disinclination you may have, and in the interest of the public service accept this tender as a favor to me and to the State." Mr. Kelsey has decided to accept the appointment, and the State therefore is to have the continued advantage of his ability and long experience in the public service. As former State Comptroller and as Superintendent of Insurance he has made a record for efficiency equal to that of any of his predecessors. The newspaper organs of Mr. Hughes describe the transfer of Mr. Kelsey to the charge of the Comptroller's department as "a slap at the Governor by the bosses." It is an admission on their part—perhaps unconsciously—that the party managers are yet active and still control the situation in the State, and that the Governor is not going to have his own undisputed way during the next term any more than he has had during that which is nearing its expiration. The bearing of this interesting fact on forthcoming life insurance legislation is obvious.

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Facts and Opinions.

The report on the examination of the **Mutual Savings Life Insurance Society** by the examiners of the New York State Insurance Department contains a statement of the society's income and disbursements and of its financial condition as of October 15, 1908. The total admitted assets are given as $45,947.49, and the liabilities as $45,598.53, showing a difference of $348.96. Commenting on the accounts of the society the examiners take note of various small discrepancies in bookkeeping. Regarding the liabilities account they say: "The books of the society show that $300 of the funds of the society belonging to the insurance fund have been misappropriated by using the same for expenses." Touching the matter of policy loans, they say: "It was impossible to balance the policy loan cards with the ledger account of policy loans, and the society's records in this respect are faulty. In a large number of cases we found that the loan outstanding exceeded the reserve. This certainly shows that this part of the society's business was not properly attended to. Whether this in any wise tended to encourage lapses it is impossible to state." Reviewing the history of the society from its entry upon business as the Fellowship of Solidarity in June, 1902, the conclusion of the examiners is:

From this it will be seen that although the society has been in existence for over six years, so far as obtaining sufficient new business to justify its continuance is concerned it has been a failure. We believe that while the insurance fund of the society is unimpaired, the membership ought to be reinsured so that an unlooked for mortality would not destroy its solvency.

In reference to the so called "syndicate agreement," which was an arrangement by certain persons to advance money for the benefit of the society, to be repaid from "certain margins on new premiums to be hereafter collected," and in case of reinsurance of the membership from "any and all commissions received," based on which a claim of $14,672.88 is made by the syndicate, the examiners, through Chief Examiner Hadley, say: "The disposition of the funds of the society, in case of reinsurance, should be left to the members, and if they vote to pay any funds to the syndicate managers to reimburse any person who has contributed to build up the society, I can see no objection to its being done."

The **report** of the Ohio Insurance Department's **examination** of the **Ohio German** of Toledo showed fraud and crookedness of the highest degree. The examiners say that the testimony of the officers and the resulting investigations disclosed certain practices whereby the books of the company were systematically falsified to hoodwink possible investigators. Daily reports were withheld from the company's files and "dummy" reports substituted. The whole thing was managed by a carefully worked out system to cover up all tracks. The extent to which "dummy" records were used was kept track of by a system of punch marks made on the falsified daily reports, the system being only intelligible to the parties using it. The examiners comment on the fact that these false practices have continued throughout the general business of the company. Proofs of loss were also falsified, the date of a fire and the date on which the proofs were executed being erased on the blank with acid, other dates being scientifically substituted therefor. Thus losses really occurring in October or November, 1907, were made to appear as if occurring in January or February, 1908. The originals were all destroyed. The signatures of agents were sometimes imitated when false loss proofs were substituted for the originals. The examiners say that the amount escaping liability in the company's annual statement for December 31, 1907, by reason of fraudulent acts was $28,000. On receiving the keys to the "loss desk" the examiners found proofs and notices aggregating many thousands of dollars which did not appear on the records. Even agents' balances were falsified, the testimony of certain employees disclosing that in order to create a larger item of agents' balances not over three months due the company at intervals during the year made up "phony" daily reports purporting to cover large railway, steamship or mercantile lines, on which the premiums would run into the thousands of dollars, these premiums being charged to agents' balances. The examiners state that neither the general books of the company nor the agency blotters showed at the time of examination the true state of affairs. The finances of the company were also juggled with through the medium of a special agency contract entered into by Messrs. Donnelly and Prentice, president and secretary-treasurer, respectively. The report is a most unusual document, showing as it does how two officers of a company can sometimes run things to suit themselves.

Announcement has been made by **Comptroller-elect Charles H. Gaus** of the appointment of **Otto Kelsey,** Insurance Superintendent of New York, as his **first deputy** on the expiration of the latter's term as Insurance Superintendent on February 15 next. Since the appointment was made it has been stated that Superintendent Kelsey would resign as superintendent on January 1 and so assume his new duties at that time. Among the names mentioned for Insurance Superintendent are the following: Matthew C. Fleming, of New York; Senator Alfred R. Page, of New York; former Senator W. J. Tully, of New York; Senator W. W. Armstrong, of Rochester, and H. H. Bender, of Albany. Governor Hughes is said to be considering the advisability of recommending to the Legislature an increase in the salary of the Superintendent of Insurance to $15,000, in order to secure the services of a man with the requisite qualifications for the place. Mr. Kelsey served a term as State Comptroller, resigning in May, 1906, to become Insurance Superintendent. He is therefore eminently fitted for his new work. In tendering him the appointment Mayor Gaus, of Albany, who is the Comptroller-elect, says:

Your long public service in Albany, which I have watched for a number of years with great interest, leads me, although somewhat hesitatingly, not knowing your plans or how you might view my proposal, to offer you the first deputyship in the State Comptroller's office on January 1. There is no man in the State of New York upon whom I could rely in that responsible office with more perfect security than yourself, and I sincerely hope that you will lay aside whatever personal disinclination you may have, and in the interest of public service accept this tender as a favor to me and to the State.

The recommendations for a **cessation of the fire waste** made by the special committee of the National Board of Fire Underwriters in a communication addressed to the **National** Conservation Commission, in session in Washington, D. C., last week, were as follows:

First—That the public should be brought to understand that property destroyed by fire is gone forever, and is not replaced by the distribution of insurance, which is a tax collected for the purpose.

Second—That the States severally adopt and enforce a building code which shall require a high type of safe construction, essentially following the code of the National Board of Fire Underwriters.

Third—That municipalities adopt ordinances governing the use and keeping of explosives, especially inflammable commodities and other special hazards, such as electric wiring, the storing of refuse, waste, packing material, etc., in buildings, yards or areaways, and see to the enforcement of such ordinances.

Fourth—That the States severally establish and support the office of fire marshal and confer on the fire marshal by law the right to examine under oath and enter premises and to make arrests, making it the duty of such officer to examine into the cause and origin of all fires, and when crime has been committed requiring the facts to be submitted to the grand jury or proper indicting body.

Fifth—That in all cities there be a paid, well disciplined, non-political fire department adequately equipped with modern apparatus.

Sixth—That an adequate water system with proper distribution and pres-

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sure be installed and maintained. In the larger cities a separate high pressure water system for fire extinguishment is an absolute necessity, to diminish the extreme imminence of general conflagrations.

In a timely brochure on the "Fundamentals of Life Insurance" prepared by President Ide of the Home Life insurance company, the wide circulation of which will have the effect of clearing away from the popular mind many cobwebs about life insurance, occurs the following lucid statement concerning the **cost of new business:**

What is a proper cost for new business? In other words, what proportion of the company's funds is it wise to expend in securing new insurance? Students of the subject of life insurance have advanced various theories, and legislative bodies have passed restrictive laws on this important subject, all attempting to arrive at one fixed, immutable rule, which may be properly applied to all companies. In this attempt the fundamental fact has been lost sight of, that new business may be of greater relative value to one company than to another, and because of the many elements which go to make up the complex organization of any company any universal rule must be unfair in its application. The restrictive law which works satisfactorily in the case of one company, or class of companies, is bound to operate to the disadvantage of others. To determine how much new insurance a company needs, or what it can afford to pay for it, one must have an intimate knowledge of the condition of that company, and the extent and method of growth should not be prescribed by detailed rules of general application. When one speaks of the value of new business to a "company" it must be borne in mind that the company consists of the policyholders, and what the management has to consider in all matters is the effect upon the interests of the policyholders, which must be conserved.

A supplementary report on the **fire hazard of Albany, N. Y.**, has been made by the engineers of the committee on fire prevention of the National Board of Fire Underwriters. The old committee of twenty reported on the fire hazard in 1905. The present report states that the distribution system of the municipal waterworks is weak and the hydrants too small. The fire department is criticised because the engines are small in size and in poor condition. It is stated that the full paid force has been slightly strengthened and some new apparatus purchased since 1904. The fire alarm system is stated to be much improved. The report concludes as follows:

Conflagration Hazard.—Considerable in the congested value district, due to weak structural conditions, dangerous exposures across narrow streets, overhead wire obstructions and the presence of several possible conflagration breeders; little improvement is apparent since 1904. While State street forms a valuable fire break under certain conditions, it can be easily flanked on the east. The opportunity exists for material improvement in the water supply, which if carried out on a broad line will greatly reduce the conflagration hazard in the lower part of the city, and compensate for the deficient engine capacity of the fire department. The conflagration hazard outside of the congested value district is moderate, although some serious fires can easily occur, particularly as the water distribution system is weak.

Plans for the construction of the **new home office** building of the **Equitable Life Assurance Society** are apparently as much up in the air as the topmost story will be if the projected building is ever completed. A statement was made this week by President Paul Morton in regard to the matter, in which he said:

Nothing definite has been decided; in fact, no conclusion has been reached that a new building will be undertaken. The present building is not modern; was erected before the days of steel construction, and does not produce the income that the site on which it is located justifies, and in a way the property might be considered as unimproved because it could probably be sold for a higher figure if the building were not standing on it. What the society will do in the matter is problematical. The question is having the most careful consideration from every standpoint, and to that end preliminary bids have been requested from various contractors for the purpose of checking off the architect's estimates, and definitely determining the cost at which responsible contractors will undertake the construction of such a building. This will enable the officers of the society to prepare a prospectus for a new building plan, which will in due time be submitted to the board of directors for its consideration. Nothing will be attempted in the way of a new building that will not in every way reflect credit upon the city, and be a source of additional income and security to the policyholders. The building will be no higher than good business judgment determines.

An absolute **sale** of the business of his **agency** has been made by R. B. Raney, of Raleigh, N. C., who has been for fifteen years the general agent of the Penn Mutual Life **in North Carolina**, the purchasers being his chief clerk, Rowlett E. Barnes, and Rufus Y. McPherson. Mr. Barnes has been connected with Mr. Raney almost fifteen years. Mr. McPherson was long with the New York Life, with an office at Raleigh, but last year went to Greensboro to take the agency of one of the local companies. The company's insurance in North Carolina now amounts to almost $10,000,000 and is carried by 5,000 persons. Vice President L. K. Passmore, of the Penn Mutual, in announcing Mr. Raney's retirement to the policyholders, said:

Mr. Raney has been with us so long, and his services have been so earnest and faithful and valuable that we permit him to withdraw with a degree of regret which approaches sorrow. While we realize that it is extremely difficult to select any man or men to succeed him who in all things will meet the duties of the situation, and promote our business with the same acceptable vigor and courtesy, yet we feel that in the appointment of Messrs. McPherson and Barnes, themselves chosen by Mr. Raney, we have worthy successors who will capably and honestly conduct the affairs of the agency consistently with your interests.

The **British-American insurance company** of New York, through E. J. Knowles, Mervyn Mackenzie, A. D. Irving, Cornelius Du Bois, Harry P. Winters, W. B. Meilke, H. W. Fink and A. D. Irving, Jr., its directors, has applied to the Supreme Court for voluntary dissolution, and Justice Seabury has named Eugene D. Hawkins as referee to inquire into the merits of the application. An order to show cause why the corporation should not be dissolved was set down for January 25, 1909. The assets of the company are valued at $216.-227. There are no creditors and no unsatisfied engagements of any kind entered into by or existing against the company. The company sustained severe losses in the San Francisco fire in April, 1906, resulting in the reinsurance of its outstanding liability in the Western Assurance of Toronto in September, 1907, since which time the company has issued no policies or contracts of insurance of any kind. The company was incorporated in 1898.

The disclosures regarding the **Seminole Securities Company** of Columbia, S. C., and insurance matters, that is, the sale of stock of the company in North Carolina, have caused no little sensation. Insurance Commissioner Young says that just as soon as any inquiries were made of him about the Seminole Securities Company he notified it not to do any more business in North Carolina. He found that the company was trying to sell stock and had sold large amounts through agents it had here and there. He stopped the work of all these agents and notified the company that it must take out a license in order to do such business, for the insurance law of the State of North Carolina contains a provision which gives the commissioner authority to stop the sale of securities under such circumstances. The company failed to apply for a license, either because it did not want to do so or because it could not comply with the very strict requirements of the law.

An **examination** of the **Modern Woodmen of America** has just been completed by the Nebraska and South Dakota Insurance departments, bringing its figures to June 30, 1908. The report finds that the rates charged are inadequate to mature future contracts, and holds that the laws should demand that they cease to make such contracts or in reasonable time provide means to protect them. The Woodmen have had a remarkable mortality experience, owing to its

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unusually rapid growth, but it is held that the present rate of increase cannot be continued and the present rates are inadequate to meet future claims. The report quotes at length from a statement made by Head Clerk Hawes of the Woodmen before the last meeting of the Head Camp, in which he demonstrated that the present rates are inadequate.

The Nebraska and South Dakota Insurance departments have completed an **examination** of the insurance department of the **Knights of Pythias**, which certifies the figures made in the last annual statement, bringing them up to July 31. The report deals especially with the fourth class members, who have not transferred to the new fifth class, with rates based on the American Table of Mortality, and urges strongly that all fourth class members transfer to some one of the fifth class plans. Between January 1 and August 1 the mortality assessments in the fourth class amounted to $709,672, while the death claims paid in that class were $894,539. The report declares that extra assessments will soon be necessary on fourth class members, as the average age is rapidly increasing through the transfer of the younger members.

The **publisher** of the *Pacific Underwriter*, Robert W. Neal, has announced himself as a **candidate for the California Insurance Commissionership**, to succeed Myron E. Wolf on the expiration of the latter's term in April, 1910. The present Legislature will have the opportunity of confirming the Governor's appointee for the office. Our contemporary has the following to say on the matter:

Mr. Robert W. Neal, whose name flies at the masthead of this publication, in common with others, has arrived at the conclusion that he would make an efficient insurance commissioner. He expects to make an honorable, straightforward campaign to secure the appointment. Mr. Neal, from his intimate knowledge of insurance affairs in all its branches, is qualified to serve the State in this position. He is well known in California, being prominent in local politics, Masonic circles, club life, and for twelve years has been a trustee of the Mechanics' Institute.

Commenting on the **effects of the decision** of the New York Court of Appeals in the **Boswell case**, holding that Section 97 is not retroactive, the *Insurance Press* says:

Readers of the daily newspapers, a week ago, did not fail to be impressed with two facts—first, that the opinion of the court does not justify the Governor's smug complacency concerning the perfection of the insurance laws, and second, that if the Governor does not co-operate to improve the situation some measure of relief may come ultimately from the court's interpretations of clumsy, unpopular and unprogressive statutes. The Governor is willing to study "specific proposals" for the amendment of the laws. Has not the Court of Appeals provided some "specific proposals" for him to mull over? Doubtless others can be pointed out, quite important enough to merit the Governor's prompt attention, if the Chamber of Commerce shall appoint its own committee to look into "the conditions surrounding the life companies of this State," as may be the case, for the purpose of leading him to light.

The testimony before the Tariff Committee of Congress, which recently brought out from **William Whitman**, of Boston, president of the Arlington Mills, the statement that he gave Mr. North, clerk of the Senate Finance Committee, $5,000, "because his salary had not been large," calls to mind that this same Mr. Whitman was chairman of a very indignant Boston investigating committee of **Equitable policyholders** shortly after the "revelations" occurred. It might have been desirable that the tender regard for the ethical proprieties which agitated him in those days of storm and stress should have extended also to transactions in which the welfare of the industries represented by him was concerned.

In the United States Circuit Court for the Western District of **Kentucky** Judge Walter Evans heard arguments in the **"Night Rider" suits** of the North River insurance company and Globe and Rutgers Fire insurance company that were removed to the United States Circuit Court from the Logan County Circuit Court. The losses grew out of the burning of tobacco in Russellville, Ky., on January 2 and 3, 1908, by an armed body of night riders. The companies relied upon the "riot" clause of the policy. After an elaborate argument, Judge Evans reached the same conclusion that had been reached by Judge Sandidge, and overruled the demurrer to the companies' answers, holding the defense good.

An important **agency change** is to occur at **Boston** January 1. Arrangements have been perfected whereby the Boston agency of the **Hamburg-Bremen**, for several years with James Simpson & Co., is to be transferred to the office of Rothery, Emery & Co., and H. E. Burns, special agent for New England of the Hamburg-Bremen, is to become a member of the last named firm, the style of which, however, will not be changed. Rothery, Emery & Co. thus secure more than an equivalent for the Girard Fire and Marine, which recently left them, and with their other stock companies and a line of representative Massachusetts mutuals are excellently equipped to handle large lines of business.

At the annual meeting of the **Underwriters' Association** of the **Middle Department** in Philadelphia on Wednesday the following officers were elected: President, Col. F. K. Patterson, Royal; vice president, George A. Clarke, Home; chairman executive committee, W. J. Chase, Liverpool and London and Globe; executive committee, Charles M. Kerr, Farmers of York, Pa.; H. M. Gibbs, German-American; A. F. Sanford, New York Underwriters; W. J. Chase, Liverpool and London and Globe; E. A. Innes, County Fire; J. M. Hodges, Commercial Union; James Westervelt, Niagara; William H. Burkhardt, Boston insurance company; D. M. Macpherson, St. Paul Fire and Marine.

The committee appointed by the Grand Nest of the **Blue Goose** to consider the proposed fraternal **beneficiary feature** recommends that an emergency distress fund be created by the collection from all members of an initiation fee of $2 and annual dues of $3, to be kept entirely separate from the other funds for the benefit of the families of deceased members. On the death of any member in good standing $250 is to be paid to the family. Should the fund become exhausted or heavily depleted the Grand Nest officers are authorized to levy an assessment. Payment of the beneficiary charges is optional, but benefits are allowed only to members paying the dues.

In his zeal for progress an insurance agent should not forget to **keep up** the **policies** which he has **already written.** The Fidelity Mutual Life of Philadelphia says in regard to this matter:

On December 31, 1907, we had on the books 58,939 policies. To put these policies in force involved an enormous amount of labor and expense, and every one of those shown on December 31, 1908, as lapsed will represent a certain amount of waste. No matter how much new business we may have written during the year, it will not compensate for this loss. And a loss to the company means a loss to every officer, agent, employee and policyholder of the company. It is, therefore, to the interest of everyone that all co-operate in reducing this waste. An agent who would permit a policy to lapse for want of a little effort to hold it has not a proper regard for his own interests.

The condensed report of the recent examination of the **Pittsburgh Life and Trust** by the Pennsylvania Insurance Department, published elsewhere in this issue, shows a very satisfactory state of affairs for this energetic young company. A considerable saving in expense of operation is shown for the business of the Security Trust and Life, which the Pitts-

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burgh Life and Trust reinsured in 1906. A saving of 25½ per cent. in the cost of handling this business is disclosed by the report. The total assets of the **Pittsburgh** company are given as $4,944,413.83, with total liabilities of $4,012,466.01 and a surplus to policyholders of $931,947,820.

A startling **series of deaths** in the immediate family of **Mrs. Mary Kelleher**, now held in the Cambridge, Mass., jail on a charge of incendiarism, has started an investigation, directed by John J. Higgins, district attorney for Middlesex County. These comprise her sister, sister-in-law, husband, two daughters and a son, all of whom were insured for amounts ranging from $2,500 on Stephen Kelleher, the husband, to $25 on Mary Kelleher, a child of the two. It is reported that in each instance, save possibly one, the insurance was paid over to Mary Kelleher; also that the causes alleged of some of the deaths are difficult to explain.

The **Arkansas business** of the **Ohio German** of Toledo has been **reinsured** in the St. Louis Fire and other companies in the general agency of Arnold, Raines & Co. of Little Rock. This business has not been generally cancelled, as was done elsewhere, as it was protected by a bond of $40,000 in the Fidelity and Deposit of Baltimore. The reinsurance was effected with the consent of the bonding company. The settlement of the affairs of the Toledo company develops the fact that Swift & Co., the Chicago packers, carried a floater policy for $666,666 written for three years at 3 per cent.

A letter was this week addressed to the board of estimate and apportionment of New York city by the Merchants' Association of New York urging that provision be at once made for the construction of the proposed **new fire alarm system**. The communication states between $350,000 and $400,000 is paid in extra fire insurance premiums by reason of the charge imposed because of the present unsatisfactory plant. It points out that a rate reduction would undoubtedly be authorized by the New York Fire Insurance Exchange if a new system were installed.

The **suit of** the **Illinois Life** to withdraw its securities on deposit with the State Treasurer of Kansas will come up this month in the Federal Court of Appeals at St. Louis. The Kansas Mutual Life, which was purchased by the Illinois Life several years ago, had $575,123 of securities on deposit to protect its Kansas policyholders. Owing to the heavy local taxes levied on these the Illinois Life sought to withdraw them, but the courts have so far held that they must remain with the State Treasurer so long as any policies of the old Kansas Mutual are in effect.

The home of Amos Kimberley, a farmer near West Liberty, Ia., was recently completely destroyed by the **explosion of an acetylene gas plant**, fire soon destroying the débris. There was no insurance and the loss is estimated at over $10,000. This recalls the hazards of domestic acetylene gas plants. Mr. Kimberley had finished cleaning the machine, and had filled the chamber with carbide, but had failed to leave the valves open. An explosion followed and Mr. Kimberley was barely rescued from the cellar before the flames reached him.

The **high pressure system** in New York city **went wrong** for the second time recently at a fire on Grand street this week. As a result the fire, which was in a six story building, burned for half an hour without the water coming. The trouble was caused by the blowing out of a valve at the dead end of the high pressure main at the subway excavation at Broome and Centre streets. The strain of insufficient support proved too much for the big pipe, and the valve blew off as soon as the water was shot into it from the pumping station.

The **Fraternal Censors**, a fraternal insurance company at Dayton, Ohio, was notified by the Ohio Insurance Department to levy extra assessments to pay $10,000 of overdue death claims. The order thereupon surrendered its license, removed to Covington, Ky., and on the same day **reinsured** its life business in the Western Life Indemnity of Chicago. The Ohio laws provide that fraternals may reinsure only in fraternals licensed in the State. The Western Life Indemnity is not licensed in Ohio, and is not a fraternal.

Great good is expected to be accomplished as a result of the **fire waste conference** which has been called to take place at Nashville, Tenn., on January 30. Credit for the idea is given to C. W. Olson, of Chattanooga, who is president of the Tennessee Underwriters' Association. The call was issued by Insurance Commissioner Folk at the request of Governor Patterson, the Tennessee Underwriters' Association and the commercial bodies of Nashville, Chattanooga, Knoxville and Memphis.

The First Methodist Episcopal Church, on Cary avenue, **Chelsea, Mass.**, was damaged to the extent of some $10,000 Wednesday night by a fire, which the pastor, W. E. Vandemark, declares to have been **incendiary**, but Chief Spencer of the fire department disagrees with him. In view of the nervousness that has reigned in Chelsea in respect to fire terror since the conflagration of last April, and several fires succeeding it, it is to be hoped that the reverend gentleman is mistaken.

A petition in bankruptcy was filed this week against Patrick J. Kieran, formerly president of the **Fidelity Funding Company**, by Masten & Nichols, attorneys for certain creditors. Judge Holt of the United States District Court appointed Robert C. Morris receiver of his assets, fixing his bond at $15,000. He is also receiver for the Fidelity Funding Company. Mr. Kieran's assets are placed at $25,000, in real and personal property, on the application for the receivership.

The **New York Life** has issued new annuity tables in which each rate is based on the age of the annuitant at last birthday. A pro rata allowance is to be made for each quarter of the year elapsed since last birthday. The first payment of an annuity, when made annually, is to be one year from the date of the granting of the annuity. Rates for ages over age eighty-five are the same as for age eighty-five. The new rates are to be in effect on January 1.

In reference to the currently printed report that the **Virginia** Insurance Department would change its **valuation requirements**, Insurance Commissioner Button has the following to say:

I note in several of the insurance papers that the Virginia department will require all companies to value on the modified preliminary term, American 3½ per cent. This department is not contemplating any change in its reserve requirements, and I am at a loss to understand how the above report originated.

The **New England department** to be established by the **People's National** of Philadelphia will be in charge of Wakefield, Morley & Co., of Hartford, Conn., as general agents. The People's National will apply at once for admission to Massachusetts and Connecticut. Its eastern Massachusetts

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field will be supervised by A. R. Graham, of Boston, while Charles E. Holt, of Hartford, will look out for western Massachusetts and Connecticut.

At a meeting of the Boston Merchants' Association of Boston Wednesday evening a most favorable report by a committee appointed to look into the **Massachusetts savings bank life insurance annuity system** was adopted, and the association decided to establish a permanent committee to promote the movement. It is hoped that by its extension the necessity of Massachusetts adopting any old age pension scheme may be sidetracked.

The agency firm of **Whilden & Hancock** have resigned the Eastern general agency of the Walla Walla Fire of Washington, as of December 31, 1908, at which time the company will withdraw from all territory east of the Rocky Mountains. The liability of the Walla Walla on all business written through the general agency of Whilden & Hancock has been reinsured in the Commonwealth Fire of Ottumwa, Ia.

The annual meeting of the **National Convention of Insurance Commissioners** will be held at Colorado Springs on August 24-27, 1909. This was decided on at the meeting of the executive committee held last week in Chicago, at which Insurance Commissioner Barry of Michigan was elected to the executive committee to replace Commissioner Hartigan, who has succeeded Major Brinkerhoff as secretary.

While few companies will show much **profit in the West** this year, those writing farm business have suffered especially. The farm losses for 1908 are 50 per cent. in advance of those of last year, which themselves were above the normal because of the numerous lightning losses. Several tornadoes early in the year and the destructive fires during the summer and fall are the principal causes.

The **Rockford Life,** now organizing at Rockford, Ill., has changed its name to the Forest City Life. Officers have been elected as follows: President, George Reynolds, La Salle; vice presidents, A. D. Warner and T. B. Engstrom, Rockford, and C. J. Warner, Prophetstown; secretary, E. W. Brearley; treasurer, T. B. Engstrom; chairman of the board of directors, Len Small, Kankakee.

Losses on mining property at Cripple Creek, Col., have been unusually heavy this year, reaching $250,000, and many of the companies have cancelled their insurance on ore treatment plants, which are burning frequently. It is held that the Colorado City plants treat ore at such low figures that extraction plants elsewhere are not able to compete with them.

The first of a series of lectures before the **Fire Insurance Club of Chicago** on "Statutory Requirements" will be delivered by Guilford A. Deitch, of Indianapolis, on January 17. H. M. Hess, of the rating department of the Western Union, will deliver his second lecture on the "Analytic System of Rating" on January 26, discussing construction and openings.

The Illinois Supreme Court has affirmed the decision of the lower courts in the case of Thomas Houren against the Chicago, Milwaukee & St. Paul Railroad, thereby establishing the principle in Illinois that a **railroad company** is **liable** for the loss if its trains block the crossings and prevent the fire department from reaching the scene of the fire.

The winter record of **fires in North Carolina** so far is a little below the average. Inspections of properties have been quite thorough, and the chiefs of fire departments have been urged to see that the fire waste law is strictly complied with. Good progress has been made during the year in this respect.

The December meeting of the **Iowa Life Underwriters' Association** was held at Des Moines Saturday night, with addresses by Insurance Commissioner Rittenhouse of Colorado and S. R. Elson, Nebraska general agent for the Equitable, who spoke on "Ethics and Methods in the Field."

Following action by **Old Orchard, Me.,** to materially extend and improve its water supply, hydrants and hydrant pressure, **rates** have been **reduced** 25 per cent., thus restoring the premiums as they were prior to the big fire of August, 1907, which made such great havoc on the beach.

A movement is on foot looking to the **organization** of the **fire commissioners** of Connecticut, with a view to lessening the annual fire waste in the cities and towns of that State. J. S. Bullard, president of the board of fire commissioners of Bridgeport, Conn., is the originator of the plan.

The **People's National Fire** of Philadelphia moved into its new quarters at 307 Market street, Philadelphia, on Wednesday afternoon. Commodious rooms on the grade floor will accommodate the local department, while the agency department will be well provided for upstairs.

At the December meeting of the **St. Louis Credit Men's Association,** held December 10 at the Mercantile Club, E. T. Campbell, president of the American Central, spoke on "The Fire Waste in the United States" and John F. Lee on "The Legal Aspect of Fire Insurance."

The **St. Louis Life Underwriters' Association** has arranged to lay the facts before the prosecuting attorney if reliable evidence can be secured that any agent has been guilty of rebating during the closing weeks of the year, when rebating has usually been most serious.

An **effort** was made **to unionize** the A. J. Lytle **agency** at Iron River, Mich., by forcing out the Germania. That company notified the Michigan Insurance Department, which took the matter up with the other companies in the agency, and the plan has been abandoned.

Des Moines capitalists have under consideration the organization of a **loan and trust company with** a capital of a million dollars. It proposes to take complete charge of property as regards construction, renting, insurance, etc., and will maintain an insurance department.

At the meeting of the **New York Board of Fire Underwriters** on Wednesday President Babb paid a high tribute to the worth of Superintendent Anderson, who retires from that position on December 31. He replied in kind. His successor has not yet been selected.

The Kentucky Insurance Department has revoked the **license** of the **Security Life of Chicago** on the ground that it violated the anti-rebate law, and also because of its former connection with the Standard Trust Company of Nashville, Tenn.

The **Oklahoma Insurance Department** has been instructed by the Attorney General to petition the Postmaster General

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for a **fraud order** against the New State Fire and the Western Fire and Marine, wildcat companies of that State.

It is understood that Edward Temple, **president** of the **Bankers Life of Des Moines,** will soon **retire** because of advanced age, and that he will be succeeded by Simon Casady, who has long been an officer of the company.

According to the police of **Providence,** R. I., Robert Gilmore, aged eighteen, has confessed to **setting five fires,** starting with that which damaged the Potter & Gardner lumber yard to the extent of about $9,000 last year.

Announcement has been made that the **Globe Fire** of **Regina, Canada,** has failed as a result of the conflagration at Fernie, B. C., where its losses were over $59,000. The company had assets of less than $10,000.

The Missouri Department has given the **Great Western Life,** which has been in the hands of a receiver since last March, authority to **resume business,** all the requirements of the department having been met.

The **Midland Life** is being organized at Kansas City by Daniel Boone, who was formerly connected with the Capitol Life of Denver. It proposes to have a $100,000 capital and a $100,000 surplus.

The annual report of State Auditor Carroll of **Iowa** shows that over $30,000,000 in **approved securities** is **on deposit** with him to secure the policies issued by the Iowa companies.

Annuity rates for women, somewhat higher than those for men, have been promulgated by Robertson G. Hunter, State Actuary of Massachusetts.

A **joint examination** of the **Kansas City Life** is being made by the Missouri, Kansas and Texas Insurance departments.

A **new stock life insurance company** is being organized at Wausau, Wis., which is to have a $200,000 capital.

The **Federal Union insurance company** of Chicago has been admitted to do business in the State of Wisconsin.

Personal.

AGENCY APPOINTMENTS.

Connecticut Fire: F. F. Richards, special agent in mountain field, with headquarters at Denver.

Equitable Life Assurance Society: Charles F. Adams, general agent in Buffalo.

Niagara Fire: W. F. Sweazea, special agent in Kansas, succeeding F. M. Benedict, who resigns January 1.

Phenix of Brooklyn: A. Skowrup, State agent for South Dakota.

Sovereign Fire of Toronto: K. William Schuchman, agent at Pittsburgh.

Sun of New Orleans: Elmer A. Lord & Co., agents for Boston and vicinity.

Mr. Beecher Putnam, whose appointment as Insurance Commissioner of Maine was announced in this paper last week, was born at Houlton, Me., forty years ago, and still lives there. He is a graduate of Houlton Academy and of Colby University, class of 1889. After graduating from college he took up the study of law, and was admitted to the Aroostook County bar in 1894. He was a member of the Maine House of Representatives in 1901 and 1903, and of the Senate in 1905 and 1907.

Mr. Harwood E. Ryan, actuary of the Puritan Life of Providence, who was connected with the Provident Savings Life in New York for seven years previous to his joining the Puritan Life, has been appointed assistant to Actuary Robertson G. Hunter, of the Massachusetts Insurance Department. The extra work placed on Mr. Hunter by the savings bank insurance plans made necessary additional help in his office. Mr. Ryan is an associate by examination of the Actuarial Society of America.

Mr. Theodore T. Johnson, second vice president of the Washington Life of New York, who had charge of the agency field under both the old and new managements, has resigned from the company to become an inspector of agencies for the Equitable Life Assurance Society, with headquarters in New York city. Mr. Johnson will serve under Second Vice President Wilson, who has charge of the Eastern division of the agency field.

Mr. George W. Jones, of the newly organized Brooklyn firm of Lockwood & Jones, died on Sunday in his residence at 233 Madison street, Brooklyn. He represented the National of Hartford and other companies for many years. Recently he consolidated his office with that of the Lockwood agency, but owing to illness he was unable to be at his new quarters after the consolidation. He was sixty-nine years of age.

Major Charles F. Hard, for nearly twenty years supervising special agent of the Continental in the South, has resigned as of December 31 to give his time to the organization of the American Home of Greenville, S. C., of which he will be president and managing underwriter. The new company is to have a capital of $300,000, and a surplus of $150,000. It will at first restrict its territory to the Carolinas and Georgia.

Secretary James H. Worden, of the American of Newark, who has held that position for twenty-six years, has resigned. Assistant Secretary C. Weston Bailey, who has been connected with the company thirty-two years, has been elected secretary to succeed Mr. Worden, and Special Agent Frederick Hoadley succeeds Mr. Bailey as assistant secretary.

Mr. J. Montgomery Hare, president of the National Board of Fire Underwriters, has addressed a communication on the fire waste to the governors of the several States, calling their attention to the recommendations in the address of the special committee of the board at the Joint Conservation Conference held in Washington, D. C., last week.

Mr. Harry S. Norton, who has been associated with Manager C. E. Sheldon of the American of Newark for sixteen years, has been appointed special agent in Wisconsin and northern Michigan to succeed Mr. E. O. Basse, who resigns to become Wisconsin State agent of the German-American of New York.

Mr. W. L. Sherrill, formerly secretary of the Republic Life of Chicago, who was a prominent factor in the Rhodus Brothers institutions, has resigned from the head of the stock sale department of the International Life of St. Louis, to assist in the promotion work of the Consolidated Casualty of Chicago.

Mr. Myer Cohen, an underwriter of Washington, D. C., has had his nomination as a member of the Board of Charities of the District of Columbia confirmed by the Senate. His term expired July 1, 1908, during the recess of the Senate, and his new appointment for three years dates from that time.

Mr. Samuel J. Johnson, who has represented the Phenix of Brooklyn in Minnesota, has been appointed State agent, assisted by Special Agent Charles G. Beadell. Mr. W. C. Cree will take entire charge of the work in Manitoba and the West, and continues to have charge of North Dakota.

Mr. Stephen Hexter, president of the Public Drug Company, carries a $100,000 disability policy in the Fidelity and Casualty. He was stricken with appendicitis recently, and under the policy will draw the $1,000 provided for an operation for appendicitis and indemnity of $250 a week.

Mr. Charles H. Hoxie, of Boston, relinquishes the New England special agency of the Security of New Haven, to accept a similar position with the Glens Falls. L. W. Thompson, from the home office of the Security, has been chosen to fill the position vacated by Mr. Hoxie.

Mr. Hugh R. Louden, Minnesota State agent of the Liverpool and London and Globe, has been appointed deputy assistant secretary of the Western department. He succeeds the late John M. Thomas, who died suddenly in October. Mr. Louden's appointment takes effect January 1.

Mr. August Goerts, second vice president of the St. Louis National Life, has resigned, as has H. W. Wessendorf, Missouri manager for the company. The resignation follows a controversy over an application for insurance submitted by Goerts, which finally led to blows.

Mr. Silas C. McFarland, of Marshalltown, Ia., Consul General at Berlin, who committed suicide recently, carried $14,000 of life insurance, of which $6,000 was in the Bankers Life of Des Moines, $5,000 in the Northwestern Mutual, and $3,000 in the Equitable of Iowa.

Mr. W. H. Filler, superintendent for the Metropolitan Life for northwestern Ohio, and president of the Toledo Life Underwriters' Association, died last week from typhoid fever after an illness of three weeks. He had been with the Metropolitan for thirteen years.

Mr. George J. Dykehouse, for the past eight years with the Western department of the Northern of London, and previously with the Orient for nine years, will assume an important position with the Western department of the Sovereign Fire of Toronto January 1.

Mr. F. B. Davenport, for some years past secretary of the Inter-State Life of Indianapolis, has resigned, and will be succeeded by Mr. Colin E. King. Mr. E. A. Strong, Jr., succeeds M. S. Thayer as assistant secretary.

Mr. Nico Van Develde, who has been connected with the Germania Life for the past twenty-five years, for the greater portion of the time as general inspector of agencies, has resigned from the company's service.

Mr. A. H. Walters, formerly special agent with R. S. Howell & Co. at Philadelphia, has become connected with the People's National Fire of Philadelphia as special agent for Philadelphia and vicinity.

Mr. L. D. Giroux, of Brooklyn, who was for many years the agent of the Ætna of Hartford and the Connecticut Fire in the Eastern District of Brooklyn, died Sunday morning, aged sixty-one years.

Mr. D. M. Groves, a life insurance agent at Nevada, Ia., attended the convention of the Iowa Implement Men's Association at Des Moines, and in three days wrote $110,000 of life insurance.

President G. Leonard McNeill, of the Massachusetts Accident Company, which celebrated its twenty-fifth anniversary last week, was presented

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with a handsome diamond ring by the agency force during the anniversary exercises.

Mr. Harry L. Orrear has resigned as cashier of the St. Louis office of the New York Life to become agency director of the St. Louis National Life. He succeeds Mr. H. W. Wessendorf.

Mr. J. G. Gardner will retire January 1 as adjuster for the Anchor Fire of Des Moines, and will remove to California. He will be succeeded by Mr. S. G. Moore, the assistant adjuster.

Mr. B. J. Gilmore, of the German-American, was recently elected most loyal grand gander at the annual meeting of the Indiana Pond of the Blue Goose held at Indianapolis.

Mr. George A. Linsz, of the Fidelity Mutual Life of Philadelphia, was elected a member of the Life Underwriters' Association of New York at the monthly meeting on Tuesday.

Mr. Walter T. Dana, of Boston, for a time associated with Samuel Appleton in the United States management of the Employers Liability, died December 11 from typhoid fever.

Mr. G. Lacy Crawford, formerly secretary and treasurer of the Coudrey agency at St. Louis, has opened an independent office in the Pierce Building in that city.

Mr. Luther Ferris, manager for the Travelers in Michigan, has resigned as of December 31 to enter the general insurance business at Grand Rapids.

Mr. Archibald W. Selkirk, special agent of the Ætna of Hartford, died at Albany, N. Y., December 12, aged sixty years.

Mr. John H. Upton, former actuary for the Great Western Life, has gone with the Great American Life of St. Louis.

Mr. George R. Burglehaus, the local inspector at Terre Haute, Ind., is now applying the Dean Schedule in that city.

Casualty and Surety Insurance.

Unusual accidents of the week are as follows: A six year old girl was kicked in the head by a horse while playing about a stable, and her skull was fractured.

A woman took an overdose of headache tablets and died from their effect.

A fencing master had his neck pierced by a foil in the hands of a pupil, and the injury was serious enough to require a physician's care.

In trying to board an "L" train after the gates were closed, a man had his legs and ribs broken with fatal effect.

In removing a window screen at his home a Brooklyn physician lost his balance and fell out of the window, being instantly killed.

A woman miscalculated the force of a blow when wielding a hammer and drove a large nail entirely through her right hand.

A colored boy stuck his head into the feed box of a horse and the animal bit a big piece of flesh from the lad's chin.

A veteran of the Civil War who had never taken medicine in his life fell on the icy pavement a day or two ago and his injuries proved fatal.

An eight year old boy was fatally scalded by falling into a wash boiler which his mother had placed on the floor.

An aged Methodist broke his knee cap by a fall down the steps of his church.

While shooting sparrows with a rifle a fifteen year old lad killed a nine year boy, whom he accidentally filled full of birdshot.

A man was blown off the roof of a freight car by a gust of wind and sustained a fractured skull, which injury will cause his death.

A woman eighty-one years old, who had the habit of smoking her pipe, was found burned to death in her bedroom.

In trying to board a railroad train as it pulled out of the Scranton depot, an aged man succeeded in getting one knee on the lower step while the other dragged so that his rubber shoe was torn off and the man barely escaped being crushed under the car wheel.

A laundry worker had his arm caught in the machinery and it was so badly injured as to make amputation necessary.

In stealing a ride on a Pennsylvania flyer a man had his feet and one hand frozen.

Being deaf and so unable to hear the whistle of an approaching train, a Pennsylvania farmer was ground to death under the wheels at a grade crossing.

A young child who pulled off a pot of boiling coffee from the stove scalded herself, causing fatal injuries.

An innocent bystander, aged seventy-two years, was killed by stray bullets when the police tried to break up a gang of religious fanatics.

A New Jersey farmer succumbed to his injuries after a battle with a big ram on his estate.

An employee of a Hartford rubber factory was caught in a revolving shaft at the works and whirled to death.

The excitement and exertion incident to going to a farm fire caused the death of a farmer, who ran a quarter of a mile to help.

A Colorado miner was killed by being electrocuted by coming in contact with a galvanized iron air pipe which had become charged with electricity.

A school boy in Westchester County was instantly killed by touching a guy wire which supported a pole which carried high power electric light wires.

Gunpowder placed in the coal a Pennsylvania woman was using exploded when she put it on the fire, and she was fatally burned.

A trolley car in New York city jumped the track, and plunging into a heap of timbers toppled them over on a boy, who was crushed to death.

A woman who was picking coal along the railroad tracks was struck by a train and had both legs cut off above the knee.

Two children stepped on some matches in a toy house, and the ignition of some excelsior nearby caused a fire which burned the younger one to death.

A **liability inspector must be** a mighty **well informed** person, and must have as well a quick eye to detect a multitude of minor hazards. The *Agents' Record* of the Travelers of Hartford has the following to say regarding an inspector's qualifications:

When you think of it, the responsibility that rests upon liability inspectors has an almost endless number of ramifications. Not only must he possess knowledge of general machinery, but also of the various forms of special machinery. He must know how materials can be most safely handled, and how the raw material and the finished product should be safely stored. He must have a quick eye to detect the multitude of minor hazards that those in charge, having grown familiar with, no longer recognize. He must know the best safeguards and the simplest, and be on the watch for little improvements that in the aggregate have immense value. He must possess the critical eye which takes in a multitude of detail with intelligent precision, and size up the character and efficiency of the men in charge of mechanical appliances and the general direction of the processes of labor. He must have that acute sense of observation which quickly grasps defects and comprehends whether the shop rules are generally observed, and whether such rules are properly formulated and displayed. He must be on the lookout to see whether the safeguards provided are used, for it is often the case that though installed the careless workman may neutralize their purpose. It is a difficult work, but it is a work of the very first importance, and of the very first value to his company and to everyone whom that company serves.

The formal organization of the **Casualty and Surety Social Club** of New York was effected on Saturday afternoon at a meeting in the Hotel Astor, at which 137 members were enrolled. After the adoption of a constitution and bylaws the meeting organized by the election of the following officers and executive committee: President, Edmund Dwight, Employers' Liability; vice presidents, Edson S. Lott, United States Casualty, and David W. Armstrong, Jr., National Surety; secretary, William J. Gardner, Ætna Life; treasurer, Edward L. Hearn, Casualty Company of America; members executive committee at large, William F. Moore, New Amsterdam Casualty; James G. Batterson, Travelers; Charles E.

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W. Chambers, Lloyds Plate Glass; Ballard McCall, Massachusetts Bonding. After the business meeting a highly successful banquet was held, at which President Dwight acted as toastmaster. The principal speech of the evening was made by Second Vice President Edward L. Hearn, of the Casualty Company of America, who responded to the toast, "The Casualty and Surety Social Club of New York."

The surety companies that are negotiating for the **bank** business in **Chicago** will not retire from their position in requiring a 50 per cent. rate for all **depository bonds** written for the banks. This the bank officers consider too high, and as a result it is possible that personal surety will eventually be used. The banks this year pay the city of Chicago only 2 per cent. for the funds on deposit, which with the cost of the necessary bonds and other factors makes the city business not particularly profitable to the banks accepting it. The outcome of the situation will be watched with considerable interest.

At the dinner given the visiting surety officials by the **Chicago Surety Underwriters' Association** during the Chicago conferences last week an effort was made by the companies to force through a commission agreement. This started trouble at once, several of the Chicago agents insisting that a social gathering was no place to introduce business matters, and the plan was finally abandoned, but not until there had been a lively interchange of views between some managers and their agents.

Advices from Augusta, Me., state that during the **hunting season,** which closed Wednesday night, thirteen persons met their deaths, twelve by the use of firearms and one hunter was drowned. Two were shot by brothers, two by companions, five shot themselves by the accidental discharge of their weapons, two were shot being mistaken for a deer and one was shot by a hunter when he was aiming at a deer. A number of injuries were also sustained which had no fatal results.

The United States Treasury Department is requiring a **new form of reinsurance agreement** on bonds running to the Government which are in excess of the 10 per cent. capital and surplus regulation, which is arousing considerable criticism among surety men. The new reinsurance form is in effect not a reinsurance agreement but a co-surety obligation, as the reinsurance is to the Government and not to the original company.

It has been held by Judge Bradshaw at Marshalltown, Ia., that Mrs. Simpkins is entitled to recover $5,000 under an **accident policy** for the death of her husband, who was **an undertaker.** He died from blood poisoning contracted from being pricked by a pin while embalming a body, and the insurance company denied liability on the ground that he was violating the conditions of the policy by handling a poisonous substance.

The Colorado Insurance Department has **suspended** the **license** of the **United States Fidelity and Guaranty Company** of Baltimore and all its Colorado agents for ten days. This Commissioner Rittenhouse declares to be compulsory under the law, his investigation having found that the company had violated the law by not taking out licenses for all its agents, failed to schedule certain losses and to report certain unpaid bills.

In the Superior Court at Boston Wednesday John H. Wood was awarded $10,000 **damages for the loss of** his left **eye** in an action instituted against Madison C. Paige. The plaintiff stated that in September, 1905, a barkeeper in the liquor store on Broad street, Boston, owned by Paige, hurled a glass at him, striking his eye, the sight of which he lost in consequence.

The **Bankers Surety** of Cleveland is on the **bond of Albert S. Hoogs,** teller of the Beverly, Mass., savings bank, to the extent of $10,000. Hoogs has been served with a warrant charging him with the larceny of $9,300 from the bank. His arraignment is looked for in about a week.

The Frankfort Marine Accident and Plate Glass will **reenter** the **plate glass field** in the United States, after an absence of several years.

Insurance Legislation.

Complete copies of all important bills in the legislatures affecting insurance are on file in the office of THE WEEKLY UNDERWRITER.

California.

A special commission is drafting a new form of fire insurance policy, which will be placed before the California Legislature in a bill. The commission is composed of Insurance Commissioner E. Myron Wolf, Joseph Kirk, San Francisco Board of Trade; E. R. Lilienthal, Merchants' Exchange; Allen Wright, Merchants' Association; F. W. Sicklen, Chamber of Commerce; Percy T. Morgan, San Francisco Clearing House; W. J. Dutton, the San Francisco Board of Fire Underwriters, and Judge F. A. Cutter, representing Governor Gillett. It is believed that an effort will be made to amend the codification bill of 1907, certain features of which are particularly objectionable to insurance brokers, who are not permitted to place insurance in an unadmitted company without paying 4 per cent. of the premium received to the State.

Pennsylvania.

There is a good chance that a recodification of existing insurance laws will be made at the forthcoming session of the Pennsylvania Legislature. The Insurance Department has completed draughts of two bills designed to harmonize existing statutes and provide for the handling of all kinds of insurance companies in a more specific way. The State is now operating under two general insurance laws, both passed in the seventies. One enacted in 1873 will be so changed that it will be brought down to date with provisions for calculating outstanding claims of liability companies and enlarging the supervisory powers of the commissioner. The second bill relates to the act of 1876, providing for the incorporating and regulation of miscellaneous companies. Provision will also be made to more clearly define the department's powers in relation to the entrance into Pennsylvania of foreign companies.

Vermont.

MONTPELIER, December 15.—An employers' liability bill, No. 595, has been introduced in the House, as a substitute for House

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Bills 20, 36, 153, 154, 257 and 549. It provides that contributory negligence when slight as compared with that of the employer shall not bar recovery, but the damages shall be diminished by the jury in proportion to the amount of negligence attributed to the injured employee. The acceptance of a relief benefit indemnity by the employee shall not constitute a bar to an action to recover damages.

Wisconsin.

A bill to devise some method for the establishment of a system of State insurance to give workingmen sick and disability benefits as well as for the establishment of a system of old age annuities will probably be introduced at the forthcoming session of the Legislature. It is believed that Governor Davidson will make recommendations affecting industrial insurance in his message. The investigations made by State Labor Commissioner Beck will probably have the effect of helping legislation looking toward a system of State industrial insurance.

The latest development in the agitation in Wisconsin over the question of employees' liability, sickness and accident insurance for the workman is that the Wisconsin Federation of Labor will present its own bill to the coming session of the Legislature for a plan of State industrial insurance. The federation has engaged an attorney, Daniel W. Hoan, of Milwaukee, to draw up the bill, and it will be ready for presentation when the Legislature convenes.

Official Reports.

Minnesota Life Insurance Report.

Part II of the Minnesota Insurance Report has just been published by Insurance Commissioner Hartigan. It contains the summary and tables of the life, casualty, assessment and fraternal business written in Minnesota during the year 1907. The commissioner speaks a good word for the publicity campaign inaugurated, and acknowledges that the application of the insurance law "has revealed some slight omissions, which I have no doubt will be remedied by the next Legislature."

He recommends that insurance agents of domestic companies should be licensed as now are those of foreign corporations. He would have the law require the licensing of every agent, which license may be cancelled for cause. Commissioner Hartigan says he is in favor of extending standard provision requirements to accident and health policies, and in this connection he states that many of such policies in use in that State are misleading in their terms and have been the cause of many complaints to the department.

The total admitted assets of the thirty-seven companies which reported to the Minnesota Department the first of the year were $2,938,753,398.17, as compared with $2,865,272,401 January 1, 1907. The amount of insurance in force in Minnesota in legal reserve companies on December 31, 1907, exclusive of industrial business, was $188,991,382.12, as compared with $189,565,937 on December 31, 1906. The amount of insurance written by these companies in 1907 was $20,357,346.83, as compared with $24,070,924 in 1906. Two industrial companies wrote, in addition to the above, $3,040,035 in 1907, and had in force at the end of the last year in Minnesota insurance amounting to $10,399,416.

The total premiums received in Minnesota by these companies in 1907 were $6,962,273.35, and the losses incurred were $1,902,819.55. The report states that at the close of 1907 there were 98,449 ordinary legal reserve life policies in force in Minnesota, and 80,264 industrial policies.

The gain and loss exhibit of the legal reserve life companies shows that the expected net losses of the companies on account of mortality were $131,106,376.71, while the actual net losses were $106,120,365.69, which was only 81 per cent. of the expected mortality. There are fifty-five fidelity, casualty and miscellaneous companies doing business in Minnesota, as compared with forty-seven in the previous year. Whereas there were nine assessment life companies operating in the State a year ago, the present report shows only five licensed. The assessment life insurance in force on December 31 last was $16,175,000, an increase of $1,070,412 over the report of December 31, 1906. The report goes on to say that 187 assessment life insurance companies have transacted business in that State during the last thirty-five years, but only five are doing business now. In this connection the report says:

The fact that 184 assessment life companies out of 189 have ceased to operate in the State is sufficient proof that the assessment plan, pure and simple, is not feasible or safe. Practically all the five companies still operating have reserve fund features, which in a measure takes care of the increasing mortality among their members.

The report says of the assessment accident associations ten have retired since the last report, leaving thirteen operating at the present time.

Nebraska Biennial Insurance Report.

The biennial report of the Nebraska Insurance Department has been completed, covering the two years up to December 1, 1908. A separate insurance department is strongly urged, it being held that its work is seriously handicapped by being an adjunct to the Auditor's office. A complete revision of the insurance laws is asked for, and the passage of a law prohibiting the sale of special or board contracts by life companies and another prohibiting misrepresentation by agents of all classes of companies.

North Carolina Insurance Report.

Insurance Commissioner Young, of North Carolina, in transmitting his annual report to Governor Glenn, states that during the fiscal year he collected and paid into the State Treasury $224,680, besides $5,303 collected for the investigation of fires and $2,185 collected and paid to State newspapers for publishing the financial statements of the companies. He says the Insurance Department's efficiency would be greatly increased if it occupied permanent quarters instead of a leased building. During the year three stock life companies, four assessment life companies, nine fire, four miscellaneous and five fraternal orders were admitted to the State, and two fire and two fraternal orders stopped business.

The commissioner says that the entire time of W. A. Scott, Deputy Insurance Commissioner, is occupied in the investigation of suspicious fires and in enforcing the building and inspection laws. It is made the duty of the commissioner to insure the State property, and Mr. Young has provided $2,000,000 of such insurance; but he says this is not enough, because so many new buildings have been erected and more than the $10,000 now appropriated for premiums will have to be provided.

Referring to home insurance companies, the commissioner says the organization and rapid growth of a proper class of insurance companies organized in North Carolina is especially to be noted. He says that last year the stock fire companies in the State received in gross premiums $2,396,546 for $151,943,406 in risks written. The home legal reserve life companies reported as in force $24,483,655 insurance and as written during the year

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$11,667,668, for which they received in premiums $743,436, while in 1904 they received only $177,561. The companies doing business in North Carolina of all classes paid in taxes on gross receipts $165,892; for licenses $39,622, and for fees and licenses for sub-agents $19,166. The commissioner discusses the case of the Southern Life of Fayetteville and its subsidiary concern, the Seminole Securities Company, and says that all of the transactions of the latter as to selling stock, etc., are illegal, as the company has never been licensed in North Carolina.

West Virginia Insurance Report.

The report of State Auditor Scherr, of West Virginia, showing the condition of all companies operating in that State, as of December 31, 1907, has just been made public. The taxes paid by insurance companies during 1907 on the business transacted in 1906 amounted to 54,556.45, and the fees collected from all sources during 1907 were $31,056.

The fire insurance companies collected $2,255,884 in premiums and incurred losses of $1,078,956, showing a ratio of losses as to premiums of 47.8 per cent. The life and miscellaneous companies collected in premiums a total sum of $3,617,087. There are four domestic fire insurance companies operating in the State, viz., the Citizens Fire of Charlestown, and the Franklin, Home Fire and German Fire, all of Wheeling. The Commissioner favors amending the life insurance law to absolutely prohibit advisory board schemes. He thinks that provision should be made for more definitely arriving at the solvency of companies. He does not favor legalizing fraternal insurance companies, and says they are nearly extinct in his State. He therefore asks for the repeal of the section relating to the admission of fraternals. He says that Section 36 should more specifically define the character of the investments of fire insurance companies. He characterizes the present resident agents law as being inadequate, and favors extending the covering of the anti-rebate law to fire insurance. He comments on the question of taxing the premiums of life companies, and favors the abolition of all taxes, except such as are sufficient to pay the cost of supervision.

Miscellany.

The Accusations Against John R. Hegeman Fail—His Integrity Is Affirmed by the Unanimous Opinion of the Appellate Division of the Supreme Court.

The Appellate Division of the New York Supreme Court on December 11, in a unanimous decision, dismissed the charge of perjury against John R. Hegeman, president of the Metropolitan Life insurance company, and ordered his discharge. He gave bail when arrested, and is now making a journey around the world. The charge grew out of Mr. Hegeman's verification of a report made by his company to the State Superintendent of Insurance in January, 1905. Last February, on the application of District Attorney Jerome, Magistrate Corrigan issued a warrant for Mr. Hegeman's arrest on a charge of perjury. A writ of habeas corpus was then obtained, but after argument in the lower court it was dismissed. An appeal was taken by Mr. Hegeman to the Appellate Division, which rendered the decision now reported.

The main opinion was written by Justice Ingraham and is concurred in by Justices McLaughlin and Houghton. After reciting the proceedings which led to the appeal, and also the charge against Mr. Hegeman, which was substantially that he swore, as president, to a statement made to the Insurance Department that on the date thereof there was owed to the Metropolitan Life no moneys because of loans made by the company upon the pledge of its stocks, bonds or other collateral, specifically to the firm of Vermilye & Co., bankers, doing business in the city of New York. In accordance with a custom which had been in operation upward of fifteen years, for the purpose of saving the company from the reputation of being a loaning concern and being "pestered to death" by Wall Street houses asking loans, the company, on December 30, 1904, sent to Vermilye & Co. the collaterals which it held to secure the payment of any loans that were in force at that time, and received from Vermilye & Co. a check for the amount due on such loans. Immediately after the 1st of January, in pursuance of this custom, the company returned to Vermilye & Co. a check for the amount secured by these loans, with interest on the amount paid by Vermilye & Co. to the insurance company for the period named, and received back from them the collateral that had been held to secure the repayment of the loans, when the loans would be reinstated. These payments were entered in the books of the insurance company as showing a payment of the loan, so that on the books of the company on the 31st of December it appeared that the company carried no loans secured by collaterals of the character mentioned. When the loans were reinstated after the 1st of January proper entries were made to show that the life insurance company then carried the loans.

The court held that this did not constitute possession of the collateral by the company on the date stated. Justice Ingraham says:

The basis of the claim of the district attorney is that if the company in making the transfer made a simultaneous agreement to take back the loan it never parted with the title of the loan in good faith. It has never been claimed, so far as I know, that a sale of property, coupled with an agreement to repurchase at a future time, did not actually transfer the legal title, and it seems to me clear that, whatever can be said of this transaction, it cannot be said that on the 31st of December, 1904, this insurance company had these loans secured by collaterals outstanding, when as a fact it had in its possession on that day the money that it had loaned, and had delivered to the person who had paid the money the collaterals to secure the loans.

The statement called for by the Insurance Department was of the actual condition of the company on the 31st of December, 1904. The officers of this company had knowledge of the fact that the company was required to make a statement of the condition on that day. If the Insurance Department had desired information as to the method of transacting business during the year, or the amount of loans the company had made during the year, it could easily have required a statement containing such information; but no such statement was required, and no such statement was attempted to be made. What the department required of the company was a statement of its condition on December 31, 1904, and that statement it obtained.

From the facts as they appeared before the magistrate there can be no question but that the relator honestly believed he was making a true statement of the actual condition of the company on the 31st of December, 1904, and as an actual fact the statement that was made and that the relator verified was a true statement.

Perjury is defined by Section 96 of the Penal Code to be "a person who swears or affirms * * that any testimony, declaration, deposition, certificate, affidavit or other writing by him subscribed is true * * on any occasion in which an oath is required by law * * wilfully and knowingly testifies, declares, deposes or certifies falsely, in any material matter, or states in his testimony, declaration, deposition, affidavit or certificate, any material matter to be true which he knows to be false, is guilty of perjury."

To sustain that charge, therefore, it must appear that the relator deposed falsely. If, as a matter of fact, the statement contained in the report was true he did not depose falsely; and it would appear that upon the undisputed evidence the statement contained in the report was true, and, therefore, it would seem to follow that the crime of perjury was not committed. It is not necessary that we should characterize the acts of the relator in carrying through this transaction.

It had been a practice adopted for many years, and while the effect of it was to deceive the Insurance Department, it certainly does not appear that the company did lose or could lose, assum-

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ing the responsibility of Vermilye & Co., anything by the transaction. Whatever the motive may have been, and whatever offense such a transaction may involve, all that we have to do upon this appeal is to determine whether or not upon these depositions submitted to the magistrate there was evidence that the crime charged had been committed.

As it seems that the statement that was made was actually true, it must follow that the relator cannot be held for perjury in swearing to it; and as the depositions before the magistrate, instead of proving that the crime of perjury had been committed, quite conclusively proved that that crime had not been committed, he was not justified in issuing the warrant.

Presiding Justice Patterson, with Justice Clarke, concurred with Justice Ingraham in his opinion that President Hegeman honestly believed that he was making a true statement of the actual condition of the company, but Justice Patterson was unable to adopt the conclusion of the majority of the court that as a matter of law the year end transaction of 1904, by which the loans of the company and the collaterals to secure them were turned over to the banking firm, constituted an actual sale.

The court also considered the forgery indictment against President Hegeman, which Justice Dowling threw out of court in December, 1907, and from which action District Attorney Jerome appealed. The court unanimously sustained the court below, holding that there was no forgery committed, and "an absolute lack of any evidence of intent to defraud" on the part of the accused official.

It is reported that the district attorney will take the cases to the Court of Appeals, having declared that if these decisions of the Appellate Division stand they will in effect quash all the indictments still standing against insurance officials. There are six indictments for forgery against George W. Perkins, former vice president of the New York Life insurance company; several against Charles S. Fairchild, of the same company, and one indictment against Robert A. Granniss, former vice president of the Mutual Life, based on the same ground.

Philadelphia Casualty Company—Statement of Auditor Scherr, of West Virginia, on the Condition of the Company.

The following report by Auditor Scherr of a special survey of the Philadelphia Casualty by S. H. Wolfe, acting for the West Virginia Insurance Department, has been made public:

An inspection of the semi-annual statement of the Philadelphia Casualty Company indicated to me the necessity for certain inquiries, and this department retained S. H. Wolfe for the purpose of making a special survey of certain phases of the company's business. Under date of October 21, 1908, his report was transmitted to me, and it is proper that a statement should be made of the facts developed by this inquiry, and the remedies which have been applied by the officers of the company in order that the interests of the policyholders might be served.

It may be stated at the outset that the company was not in possession of the surplus which the semi-annual statement purported to show, and in fact at that time (June 30, 1908) its capital stock was impaired. This impairment arose from various sources, the principal deductions from the surplus claimed by the company being classified as follows:

Additional loss reserve	$80,000	
Uncollected premiums disallowed	12,000	
Payment due Creditors' Fund Association, March 1, 1908	23,918	
Furniture and fixtures disallowed	15,944	
Agents' balances disallowed	11,110	
Total		$142,972
Surplus claimed by company		58,949
Impairment		$84,023

The principal department in which an increase in the loss reserves was found necessary was the credit department. Not only were the outstanding losses under-estimated, but it developed that the company had executed various agreements at the time that losses were supposed to be settled whereby the company paid only a portion of the amount due, and the policyholder agreed to wait until a later date in order that the balance might be adjusted. At the very lowest estimate the amounts which will have to be paid on these supplementary agreements amount to $40,000, exclusive of the salvage which may be realized.

In the liability department the company had followed the New York statutes in calculating its loss reserve. The examiner reports that this method is defective especially when applied to a company of this size, and in his opinion the application of this rule to the business of this company results in an under-statement of the liability.

Although in the above statement of the impairment no deduction has been made for the additional unearned premiums, the examiner reported that the method followed by the company—that of considering the unearned premium on a policy to be 50 per cent. irrespective of the date of issue—would result in an under-estimation. Since, however, the company has followed the language of the statutes in this matter, it was deemed advisable to make no charge for this item, it being felt that the officers of the company would remedy this condition of affairs at the earliest possible moment.

A contract between the company and the Creditors' Fund Association existed requiring certain specific payments and also providing for the payment of a certain percentage of the premium income. In the opinion of the examiner the terms of the contract did not limit the payments of the premiums of the credit department, and under date of November 14 the president of the company advised me that the contract had been cancelled by mutual consent and another one entered into which eliminated this ambiguity.

The decision of this department to give the company a reasonable time in which to make good this impairment has been amply justified, for I have been advised by the company under date of December 5 that $140,000 had been paid into the treasury to place the company on a safer basis.

We are just in receipt of a report of the examination of the company by the Pennsylvania department as of December 1, 1908, which shows the financial condition on that date to be as follows:

LEDGER ASSETS.		
Stocks and bonds, "market valuation"		$519,262.59
Mortgages		67,550.00
Cash		192,240.44
Bills receivable		7,087.50
		$786,140.53
NON-LEDGER ASSETS.		
Premiums in course of collection, ninety days' business		$253,566.35
Accrued interest on mortgages		698.00
Salvage		11,130.33
Total admitted assets		$1,051,535.21
Loss reserve—		
Credit		65,130.00
Plate glass		2,958.58
Accident and health		15,458.81
Special reserve—		
Credit	$9,200.00	
Liability	88,053.34	
		97,253.34
Unearned premiums		420,651.54
Commissions due on outstanding business		68,462.91
Due Creditors' Fund Association		35,700.00
Taxes for 1909, estimated		17,000.00
Unpaid bills		703.04
Unpaid reinsurance		922.49
Capital	$300,000.00	
Surplus	27,294.50	
		327,294.50
Total liabilities		$1,051,535.21

Pioneering in Life Insurance.

(President Darwin P. Kingsley of the New York Life in The Independent.)

The life of *The Independent*—sixty years—may seem a long or a short period of time. It depends on the point of view. To a sheep herder on the Western plains sixty years is an eternity; to men who do things it is like a tale of yesterday. Life is endless to the man who accomplishes little and that little scarcely worth while, but to the virile, ambitious, creative man the days

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are too short and the years are too few. American life insurance has crowded into sixty years—indeed, into fifty years—such achievements that the period stands out sharply and probably always will; just as the Colonial period in our history stands out, although its material accomplishments are almost negligible by comparison with the stupendous activities of present day business.

Pioneering is dangerous. Our life insurance companies—some of them—have been pioneering. There is no finer work. The masses of men have generally walked blindly past the opportunity which they sought. The pioneer, the man of imagination and courage and a sense of justice which is exact, though rough, has had eyes for the world, has had that penetrating vision which sees things not only as they are, but as they ought to be. Our forefathers, for example, were land hungry, yet they thought the Mississippi Valley was uninhabitable. They wanted opportunity to work out their own ideas in government, and yet as the hour has struck from time to time they have hesitated and been afraid. They hesitated over Kentucky and the country north of the Ohio. They threatened rebellion over the purchase of Louisiana. They delayed over Oregon until we narrowly escaped war with Great Britain. They condemned Seward when he purchased Alaska. It is the same sentiment which suggests that we now run away from the Philippines.

The pioneer has led the way in each case. And how quickly the scene has sometimes changed. What seemed a danger yesterday is a source of unmeasured strength today. What seemed recklessness, extravagance in energy, life and limb, was later seen to have been born of a prophetic insight. It was this insight and the fearlessness that went with it that gave us Kentucky and Tennessee, Ohio, Indiana and Illinois, and ultimately Louisiana and the noble commonwealths along the right bank of the Mississippi.

The instinct of the pioneer has generally been sound. He has made gross mistakes and he has been misunderstood. He has been called a visionary, when, as a matter of fact, he alone had eyes. He saw wealth where others saw only pain and hunger. He saw great States where others saw only a desert. He saw unmeasured progress and freedom where others saw only extravagant fancies, dangerous practices and a general menace to established society.

Life insurance has had—has now here in the United States—its Dinwiddies, who have conquered insurance Kentuckys and Ohios; its Livingstons who have acquired Louisianas, with as little authority as Robert Livingston had in 1803. It has had—and it has now—its Tories and its Copperheads. At the moment it stands at a point of seeming doubt, surrounded with much hostility, apparently depressed and dismayed. Certain companies, by herculean work, by methods which were direct and not always above criticism, have so splendidly exploited the possibilities of American life insurance, have so emphasized its possibilities and its stupendous future, that the Louisiana fear has reappeared, and legislative committees have gravely tried to turn the hands of the clock backward. They have solemnly announced that certain companies are already too large, and then (and here the reactionaries of 1906 succeeded better than their forefathers in 1803) they proceeded to enact their fears into law. The result has been disaster and dismay. Legislation based on hysteria and fear never has had any different results.

But life insurance will overcome even such misfortunes, and even such enemies. It will overcome the inertia which makes bad laws doubly calamitous, because, once written into the books, it is not easy—however bad and un-American they may be—to eradicate them. The prophecy contained in the work of certain American companies between 1892 and 1905 will be realized, because, great as the accomplishment was, it was, after all, only a prophecy. Out of the newer and larger and better conception of life insurance which the work of those years created will come, when the evil done by the Armstrong committee has been buried with their bones, a yet larger accomplishment and a still keener understanding of the profound service which life insurance can render society. The good the Armstrong committee did will live after them, but only because their work will be corrected and revised.

We are already beginning to wonder at a statesmanship which arbitrarily limits the legitimate activities of men, which even compelled the destruction of valuable plants; we especially ponder over the quality of a leadership which attempts to fix wages by law. But we shall never understand—neither in a dozen years nor in fifty years—those sections of the insurance laws of New York State which discriminate against our own companies in favor of the companies of other States, and even openly discriminate between the companies of New York State. We shall ultimately have revision, necessary even if the courts correct, as seems likely, the most glaring faults of our existing code. But meantime the primacy of New York companies is waning. How long will the Legislature permit this condition to last?

Josiah Quincy was patriotically alarmed in 1811. He foresaw endless disasters if the country expanded as then seemed possible through the admission of Louisiana to the Union. The Armstrong committee was alarmed in 1906 in the same way, and wrote their alarm into law. That Josiah Quincy was honest doesn't lessen the magnitude of his error. That the Armstrong committee was honest will be no defense after our shackles have been taken off and we have developed—as we shall—an extent and quality of practical usefulness which sociologically will be as real and as fine as Missouri and Iowa, Kansas and Nebraska, are in the development of the nation.

Affairs of the Mutual Savings Life Insurance Society—Statement of Miles Menander Dawson to the Members.

Mr. M. M. Dawson has sent the following communication to the members of the Mutual Savings Life Insurance Society in reference to the charges made by the late president, Dr. W. A. Fricke, which were recently printed in our news columns:

141 Broadway, New York, December 15, 1908.

To the Members of the Mutual Savings Life Insurance Society:

My attention has been called to the communications of Dr. William A. Fricke, relative to the affairs of the society, and my relations with it, which were published while I was absent in Europe and since my return.

So far as they refer to motives or conduct of myself or associates upon the board of directors that would be discreditable or reprehensible they are false in every respect. The following outright prevarications are selected, not because they are all, but because they would be important if true:

Dr. Fricke says:

"The net results for the year 1907 were forty-three new policies at a commission cost of $1,376.28, a syndicate claim for alleged advances of $4,522.50, and a similar claim of $901.04 by the founder of the society, thus making the cost for obtaining the net result of forty-three policies during the year 1907 a total of $6,709.82, which with an average annual cash premium per thousand of insurance written of $19.03, and an average expenditure of $97.84 per thousand for obtaining the same, would give an average commission cost of 514 per cent."

He also says that he obtained the same number of policies in 1908 for "commission payments of only $872.88 as the total cost."

The report of the society to the Insurance Department, as of December 21, 1908, sworn to by Dr. Fricke as president, states that 122 policies were sold in 1907, instead of forty-three, as now stated by him. When he asked to be made president he promised to give his entire time to field work, to receive his entire compensation from commissions; the salary which he asked for later was on his further promise to do this. Adding this salary and other costs, besides commissions, the policies secured under him were at the expenditure of $1,905.68.

Dr. Fricke says that the presence upon the board of the syndicate trustees, "whose chief interest lies in establishing an indebtedness—the amount of which shall be unquestioned—and securing its payment at whatever cost * * must be thoroughly eliminated before the society can hope for real progress."

The "syndicate trustees" are three gentlemen of unimpeachable standing, who had the interests of the society so much at heart that they gave their time, influence and means to promote it. Reference to any reputable commercial agency will demonstrate their probity, reliability and repute. They are:

A. M. Best, president of the A. M. Best Company, 100 William street, New York.

W. A. Boyd, president of the Boyd Equipment Company, 113 Hudson street, New York.

R. H. Fordyce, secretary German-American Trust Company, Paterson, N. J.

Dr. Fricke says: "The society is today better financially and in every way than it was when the reinsurance of its members was under consideration last fall." How much "better financially and in every way" he leaves the society can well be illustrated by the following, extracted from Dr. Fricke's sworn statement to the Insurance Department, as of December 31, 1907, and Examiner Hadley's report as of October 15, 1908:

	December 31, 1907.	October 15, 1908.
Assets	$48,436.02	$45,947.49
Liabilities	44,161.96	45,598.53
Surplus	4,274.06	348.96
Insurance in force	650,500.00	545,019.00

This loss in surplus is in spite of the fact that the securities are

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valued at an advance of $1,115 over what was allowed last December. Dr. Fricke says:

"For two years the membership have been deprived of all rights and voice in the selection of the officers, and ever since organization the board of directors has been a self-perpetuating body, contrary to the law of the State and the charter and constitution."

The fact is that an election was held in 1907, the members voting for electors who elected all the officers and a successor to the outgoing director. It was Dr. Fricke's own duty as president to call the annual meeting in 1908. This he did not do.

Dr. Fricke asks that "every incentive for reinsurance be removed by the specific provision that such claims shall not be a liability in the event of a reinsurance of the business, so that the interests of the syndicate trustees and claimants should be the success of the society—not its failure." This contract was suggested by Dr. Fricke, drawn by him and signed by him. The provision also for reimbursement from the commission paid, if reinsurance became necessary, was fair and the only honorable thing to do. If men who care enough for a society to advance their money to promote it could not safely be upon its board, and if the officers and directors would not come to the rescue, others would hardly care to do so. Dr. Fricke says:

"The affairs of the society are of interest only as evidencing the value of Dawson's great pretensions in other directions; with no glaring success to his credit as an actuarial adviser he has evaded every issue of responsibility, but in this child of his brain, with an absolute free hand and complete domination in every detail for six years, there must either be success to justify pretensions, or if a failure the demonstrations of merely a Big Noise —as many have claimed."

The actuarial work done for this society was absolutely reliable, and the fact that it has been able to hold the full legal reserve at all times is evidence of this. As chairman of the board, or otherwise, I never engaged to give my whole time to the society, nor could the board do more than to employ men as officers or otherwise who made promises as to what they would do in the field. I backed these men financially, as I deemed wise, and more liberally than was wise. At the point where I laid down all responsibility—i. e., when Dr. Fricke, a man supposed to be fully equal to it, took hold—there was a sound, flourishing society though small; in nine months he turns it over so weak that a single death loss of $500 would have impaired its reserves.

Dr. Fricke says that I asked him to accept the presidency. In point of fact he asked me to recommend the board to make him president.

He offered to take charge, ask nobody to make advances, get his sole compensation from the commissions he would earn, and give his entire time to the field. He was told what the situation was, i. e., that about $13,000 had been advanced in cash (see Mr. Best's statement) and that the expense margins, aside from new business, would about meet rent, cashier's salary and small incidentals.

Dr. Fricke says that he was introduced to Mr. Best, "and was informed that some $4,000 had been advanced to promote the growth of the society, and that they believed that such advances should be repaid, to which I agreed as perfectly proper, if it could be done without injury or detriment to the society."

Mr. Best's statement, which is absolutely true, to my knowledge, is as follows:

Dear Mr. Dawson—Replying to your inquiry, I beg to state that during a conversation with Dr. Fricke at the old office of the "Fellowship," 1947 Broadway, in November, 1907, when the question of his becoming associated with the society was discussed, I personally informed Dr. Fricke concerning the advances which had been made for the benefit of the society, telling him that the syndicate had spent $6,000, and that you had personally spent in addition more than that. There is, therefore, not the slightest excuse for his statement that he did not know of these advances or he would not have gone into the society. The whole matter was discussed in detail, and I recall that he asked me whether I thought $15,000 would certainly cover all the advances, and I replied that I was practically certain that they did not amount to more than that. Sincerely yours,

Alfred M. Best.

Dr. Fricke makes the following statement:

"The day after my return to New York I was invited to attend a meeting of the board of directors. Miles M. Dawson conducted the meeting and did all the talking. The advances made to promote the growth of the society were referred to by him; also a 'Fellowship Syndicate' and 'Wadsworth Contract,' which I did not then understand; but a number of months afterwards, in going over the minutes of the meetings of the board of directors, I found recorded in the minutes of this meeting two pages of resolutions, as suggested and offered by me, going into great detail as to the alleged indebtedness and how it should be repaid, although I was wholly ignorant of the matter. At the time I found this entry in the minutes I had become more familiar with Dawson's methods and purposes, and promptly supplemented these minutes by the addition of this memorandum which I signed:

"The resolutions appearing herein, as suggested and recommended by the president, were not offered by me as president, nor did I have any knowledge until today that such resolutions had been presented or incorporated in the minutes. I was present at the meeting December 11, 1907, at which meeting no such resolutions were offered. These minutes were drafted by Miles M. Dawson and by his orders inserted in the record."

This meeting was not held the day after Dr. Fricke returned to New York, but some time after it. Meanwhile Dr. Fricke had proposed to me, of his own motion and out of his own head, that provision should be made for reinstatement in this way. The following statements by Mr. Boyd and Senator Slater, they being the only members of the board now living, besides myself, who were present at the meeting, state the facts:

December 14, 1908.

A. M. Best, Esq., Chairman of the Board of Directors of the Mutual Savings Life Insurance Society, 100 William Street, City:

Dear Sir—Referring to the question of how the terms of the new agreement were made between yourself, Mr. R. D. Fordyce and myself, as trustees, and the society, I beg to say that my first knowledge of this proposal was received from Dr. Fricke himself, at Mr. Dawson's house, soon after Dr. Fricke's return from his trip to Wisconsin, and some time prior to the meeting of the board on December 11, 1907. He at that time brought up the matter and proposed that it be taken care of practically in the same manner as finally decided upon. Later this same matter was presented at the board of directors' meeting, at which I was present, and which Dr. Fricke himself attended, and the agreement was presented to the board in a formal manner, which he himself sanctioned and approved. In fact, during the drawing up of the resolution it was referred to him several times so as to obtain the exact wording which he desired. I trust this letter will supplement my statement some time ago, to you, as to the origin and history of this agreement. Yours very truly,

(Signed) W. A. Boyd.

I was present at the meeting of the board on December 11, 1907, and the foregoing statement of Mr. Boyd as to what took place at the meeting is correct. Walter J. Doremus.

76 William Street, New York, December 15, 1908.

A. M. Best, Esq., Chairman Board of Directors the Mutual Savings Life Insurance Society, 100 William Street, City:

Dear Sir—Regarding the agreement between the Mutual Savings Life Insurance Society, and Mr. Best, Mr. R. H. Fordyce and Mr. Willard A. Boyd, as trustees of the Fellowship Syndicate, which was entered into after the termination of the agreement with Mr. Wadsworth, I have a recollection, which is quite positive and fixed in my mind, that at a meeting of the board of the society, held in Mr. Dawson's room, 76 William street, which at that time was adjoining and part of the same suite of offices occupied by myself, that a resolution was passed, terminating the agreement with Mr. Wadsworth, and that a new agreement with the trustees was authorized. On that day and at that time I was very much occupied and frequenly left the meeting to attend to matters in my office, and finally left the meeting before its adjournment. During one of the periods of time while I was in the meeting room I remember very clearly the chairman, Mr. Dawson, referring to the new or proposed agreement with the trustees, and that Mr. Dawson turned to Dr. Fricke and asked if that was not as he understood it. I did not hear all of Mr. Dawson's conversation as to the details of the new agreement, nor have I ever seen it, or today know its terms, but I was present and did witness his reference to Dr. Fricke of his statement as to the new agreement, with a remark or question, which in substance was: "Do you not so understand it, Dr. Fricke, and is it not all right?" and I remember clearly Dr. Fricke's reply, that he thought it was "all right, and proper, and I think we can do that."

I cannot fix the date of that meeting, but I do identify it, as stated above. Yours very truly,

(Signed) Samuel S. Slater.

Dr. Fricke asserts that at the elections officers were "voted for by proxies." This is untrue. At my suggestion provision had been made for what was virtually direct voting, the members of each lodge electing "electors" who voted for the candidates desired by the lodge. This was in order to comply with the provision of law which calls for "representative government."

Dr. Fricke asserts that "a complete change in the system of

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accounting was necessary to enable me or anyone else to find out what was the exact condition of the society"; and goes on to say:

"This also devolved upon me, so that my entire time, Sundays, holidays and evenings included, with such help as the cashier could spare from her many duties, was devoted until nearly the end of May, when all and an examination were completed, so that I felt that I was conversant with all the details of the organization, and I then presented a report of my examination and the condition of the society to each director. This was the first complete report they had ever received, and was their first knowledge of the real conditions."

The fact is that the books were simple, and the form of the accounting was devised by a leading firm of accountants of London and New York, who also audited them. Dr. Fricke's work was worse than thrown away, and the examination by the Insurance Department was rendered unusually difficult thereby.

Correct statements of the condition of the society had always been laid before the board semi-annually, and every week a statement of all cash disbursements and of the exact condition of each of the funds was presented to the board.

The "report" sent in by Dr. Fricke was in the main a criticism of features remaining in policy forms which he had himself revised less than six months before and which had been printed at an expense of several hundred dollars. His criticisms were absolutely without merit, and the document was the first of the involved maze of personal abuse of myself, which has continued to this day. Dr. Fricke says:

"No special effort was made to exceed the business of 1907; on the contrary, business was refused and postponed awaiting a settlement of existing conditions; no further effort for new business was made other than to secure a sufficient number of policies and amount of insurance for the purposes of a comparison of cost with that of 1907."

This is an acknowledgment by Dr. Fricke that "no special effort" was made to fulfill the promise upon faith in which the board had decided at his request to make him president, which was that he would give his entire time to securing new members.

Dr. Fricke brings the following charges concerning alleged illegalities:

"Under the law of its incorporation the society was prohibited from issuing any policy or make any promise or agreement, express or implied, for the payment of any greater sum of money than one periodical payment from all its members, and as the members were privileged to pay monthly the maximum policy which the society could issue under the law was $2,000; however, under the direction of Dawson the maximum issued on one life was $10,000, but even Dawson realized that this was more than the society could assume, so he directed that all over $3,000 should be reinsured, and in violation of the law entered into reinsurance agreements with two unauthorized companies."

None of these things was a violation of the law. Each of them was safe and prudent. The amount insured under one policy was within the law. There is nothing in the law prohibiting the reinsurance of "excess lines" in companies which are not admitted to do business in New York. The contract was with a reliable "old line" company and on the most favorable terms I have ever known in a somewhat extended experience with such contracts. The arrangement was made to enable a reasonable line to be carried safely, and with a view to tide over until the society could safely carry the whole. Dr. Fricke continued the practice after he assumed office.

Dr. Fricke brings the charge that under certain forms of policies expense allowances were made, which, in effect, caused "constant borrowing from the insurance fund for expenses." The rule laid down for the treatment of these policies was that no more should be treated as being for expenses than remained of the portion of the first year's premium paid in cash, after providing for the mortuary requirements; and schedules were furnished by my office showing the partition of the cash portion of the premiums to carry this into effect. The commissions to agents were modified accordingly.

Dr. Fricke charges that instructions were given the cashier to "blacklist" certain members who were said to be in bad health. Whatever "threats" were made had nothing to do with the failure to reinsure last year; the members referred to all favored reinsurance. The proposal of Dr. Fricke was the sole cause for the decision not to do so.

If the cashier "blacklisted" anybody, it was not under instructions. The reference is probably to an occasion when she stated that she had reinstated a member, a thing which she had no power to do, and which under the rules of the society was not to be done in any case without submitting proof of good health to the board. She was called down for assuming authority in this matter, and then explained that the policy in question had not in fact lapsed. No different treatment, of course, was to be accorded to one member than another.

Dr. Fricke questions whether each member paid "his own full cost and no more," and also asks why "no policyholder ever received a dividend." The individual account cards show clearly that each paid his own cost, as per his contract. The policy contained no promise of a "dividend." It did contain a provision that a member might, on application, withdraw the excess of the fund to his credit over "the reserve deemed requisite by the General Council in its discretion." There was never any excess over this.

Dr. Fricke, in effect, charges me with having tried to secure a contract for the reinsurance of some of the members of the Mutual Reserve Life insurance company, which would have been dangerous to the society, and reports the following:

"After the meeting I asked Dawson this question: "Would you if you were in my position be ready to assume the responsibilities of that agreement?" His reply was: "That is not a fair question to ask me."

Why should I permit Dr. Fricke to shift his responsibility to my shoulders? I was willing to accept my full share of responsibility, by voting for the contract. It had been drawn so as to be safe and fair to all parties, in my opinion, and I had so reported to the receivers of the Mutual Reserve, who had employed me.

Dr. Fricke takes credit for not having made this contract. The very same contract, omitting the reservation of the right to charge liens for further impairments of reserve or to levy assessments, was accepted by an "old line" life insurance company that afternoon, on the same terms which were offered the society.

Dr. Fricke makes the following misleading statements concerning the proposed contract:

"These 'contract reserve' policies were issued between the 1st day of July, 1898, and April 17, 1902, and there was said to have been $4,000,000 of these insurances in force on February 15, 1908, when the Mutual Reserve went into the hands of the receivers. The mortality experience on this business was said to have been 177 per cent. There was no requirement that a certain percentage of these policyholders must accept its conditions, but the society would have been compelled to accept all those who did apply."

The fact is that in the plan for taking over the business, provision was made for higher mortality than had previously been experienced, that is, for higher than 177 per cent. The receivers had consented to the provision that a minimum number of acceptances should be necessary to bind the society.

Dr. Fricke brings the false accusation that the insurance fund bank account did not bear interest. The arrangement made with the vice president of the bank in question was for interest at the rate allowed to its banking correspondents. This item was the first intimation I have had that interest had not been credited regularly. It must have been an oversight on the part of the bank. The deposits of the insurance fund have always been with interest. So far as the board is concerned, during my service thereon it is so far from true that "attention had been repeatedly called to the fact" that the president utterly failed to mention it. (See statements of other members of the board.) Had he done so we should have seen the bank at once about the matter, in view of the promise made by it.

113 Hudson Street, New York City, December 14, 1908.

A. M. Best, Esq., Chairman of the Board of Directors of the Mutual Savings Life Insurance Society, 100 William Street, New York City:

Dear Sir—In the matter of interest on balances of the Mutual Savings Life Insurance Society, I remember that at or prior to the meeting of the board of directors, at which the account was transferred to the bank in which it is now held, it was reported by the chairman and was understood that interest was to be allowed on balances of the insurance account. I have no recollection that Dr. Fricke ever brought to the attention of the board, when I was present, the fact that interest had not been credited, and had he done so I certainly should have insisted upon the matter being looked into. Yours very truly,

(Signed) W. A. Boyd.

The above is my recollection, and I at no time heard any criticism or statement of Dr. Fricke that interest would not be credited to the account. (Signed) Samuel S. Slater.

Later.—The vice president of the bank acknowledges the agreement, and the interest has been credited.

Dr. Fricke gets ready, as he thinks, to face the fact that under his management the society's surplus has been wiped out and it has been reduced to the verge of insolvency, by making the following statement before the examiner's report was rendered:

"But as the insurance fund was wholly under the care and immediate supervision of Dawson's own board of directors, I would

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say that should the examiners of the Insurance Department at this time find a decrease in surplus it would be due to charging as a liability the Markgraf contested claim, which arose before I was connected with the society; to disallowing lien notes in excess of the reserve—which were not included by my direction; by reason of the fact that there was paid a larger amount for death losses than in any year of the society, for which I hardly am chargeable; by not requiring the bank to pay interest on the insurance fund balances, to which omission I repeatedly called attention; to the payment by the board of disability benefits under the direction of the chairman, when the proofs of claim showed that the disability originated two years before the membership was effected, and which payments would have been continued but for the fact that I called attention to the importance of examining the proofs before voting away the funds of the society; and because of policy loan methods as a matter of favoritism, also objected to by me."

The following are the facts:

The surplus on October 15, 1908, as found by the department examiners, was $348.96. The Markgraf claim was entered as a liability in the December 31 statement as well as in the statement by the examiner, has nothing to do with the decrease in surplus "Lien notes in excess of the reserve" were disallowed also in the December 31 statement. The bank was liable for interest; it has been credited. There was apparently no reason to disapprove this disability benefit; it was also for a small amount. No "policy loan" affected the surplus. In addition to his failure to secure new business to afford mortuary margins to help cover expected death claims, Dr. Fricke contributed to the condition now existing in the following ways: By disbursing for expenses the sum of $300 belonging to the insurance fund of the society without authority from the board; by disbursing for expenses all the money which, under the agreement with Messrs. Best, Boyd and Fordyce, was to be held in trust; by disbursing for expenses all the money which had been collected by the society at its head office for dues of local councils; by incurring indebtedness for expenses, beyond what the expense fund, even when improperly enlarged as above, would cover, by the amount of $1,125.80 as reported by the department examiner.

Dr. Fricke brings the following accusations against the society in the matter of its policy forms:

"As a fitting finale came the communication of the Superintendent of Insurance, which informed me that the policy forms of the society had never been submitted to the department for approval; that in issuing them the society was exceeding its authority, and that some of the contracts issued were 'ultra vires.' As I had not recently been admitted to the bar, but had had some little experience as a supervising official, there was a further incentive to make haste slowly until the many matters in controversy should have been settled. To one of such great pretensions it must have seemed ridiculous to submit the policy forms drafted and approved by the founder of the society to a mere Superintendent of Insurance; but to one of smaller pretensions it was surprising, to say the least, that this requirement had been neglected for six years."

There is no law calling for submitting policy forms of fraternal societies to the superintendent. It was not requested until this year. The forms were passed upon by able counsel before they were adopted. They are believed to be lawful in every respect. The criticisms of the deputy superintendent turn chiefly on the power of the society to make cash loans. Dr. Fricke approved these forms by causing them to be reprinted for the Mutual Savings Life Insurance Society, with all the provisions now criticised. The Insurance Department has been acquainted with the terms of these policies from the beginning; it has valued them every year.

There is neither space nor time to reply to all the falsehoods contained in Dr. Fricke's numerous lengthy, involved and disingenuous communications. Every other statement derogatory to my associates on the board and to myself is also false and is known by him to be false. They are made in order to mystify and confuse the readers and to throw them off the scent in regard to his own neglect of duty and misconduct.

The motive also is to ingratiate himself with persons who have considered themselves my enemies, because they deemed me responsible for everything they do not like in the report of the Armstrong Committee and in the laws secured as a result of that report. He has overshot the mark, however; and no person, however prejudiced, is likely to see anything in his labored lucubrations but malice, treachery and billingsgate.

Were it not that the members of the society are entitled to this statement, I should not have taken any notice of his abuse of me nor thus have invited another distressing exhibition of his slime.

For a man who can do what he has done, and yet more for the unfortunate young woman who has become his tool in it, I can have no sentiment but pity, even though mingled with nausea.

It is altogether in keeping with all the rest that they should both be using, dishonorably, a list of the members to approach them with a proposition to "twist" them into a life insurance company, in order to get a commission.

This they are doing by assailing the company which puts its capital and surplus behind the policies which Dr. Fricke came so near to rendering valueless. Fraternally submitted,

MILES M. DAWSON.

Rittenhouse.

(The Stroller in the Insurance Report, Denver, Col.)

There is woe among the Colorado supernumeraries engaged in supporting Elmer Rittenhouse for two seasons past in his wonderful performance of "The Law of the Land," or, "Was It Insolvency or Just Dishonesty?" To such conspicuous thoroughness had Mr. Rittenhouse developed the star part that I fear his withdrawal from the cast will make continuing performances seem like a production of Hamlet with Hamlet left out. At the present writing there are several near-stars carefully being groomed in understudy work to essay the principal role.

What a dearth of doings there will be when Rittenhouse steps off the boards! I don't care who the man is who takes his place, the comparison with Rittenhouse will be a severe handicap. It took Rittenhouse a year or so to get his gait. We shall hope for the exercise of great wisdom in the choice of his successor, and maybe we can develop another phenom.

The companionship of Mr. Rittenhouse, lost to those who were fortunate enough to enjoy it, will be as a void complete. The man was so simple and so human that it was impossible not to admire him in all his bigness of purpose and intense sincerity, even when differing with what he did, or, rather, with the way he did it. For, mark you, Mr. Rittenhouse was always pretty sure of his facts before he took a crack at things. Did anybody ever trip him up on what he charged existed in a company's conduct or its condition? I recall no such incident.

Mr. Rittenhouse should have been a detective. Like many other skilled newspaper men he knows where to concentrate his energies in any problem to find its weakest spot. A mass of figures and tables of comparisons means more to him than to the ordinary man, for he can at once eliminate all that is inconsequential and focus on the essential point. It was this extraordinary power of Mr. Rittenhouse's that enabled him to uncover so many irregular things.

It is a pleasure to differ with a man big enough to understand. The fact that Mr. Rittenhouse exposed himself now and then to censure made him all the more delightful, for it was just this that brought him to the level of an ordinary human being. It would have been tiresome had Mr. Rittenhouse done only the things for which he could be praised. His tremendous work was of such a constructive character, so powerful its uplift in all that is best for insurance, that there was actually a feeling of relief when he made a bad break, such, for example, as his newspaper trials of companies always appeared to be to many observers.

The effective thing about Mr. Rittenhouse's methods was that he never took anybody's word for anything. He went and got the facts for himself. Some six or seven companies have felt the iron hand of Colorado's Commissioner, and that he was always correct in his facts, if not in his idea of the motive or of the punishment required, is due to his personal participation in every investigation handled by his department. Often when asked to join with other States in the too fashionable form of perfunctory examinations, Mr. Rittenhouse declined with the plea that he would never participate in any examination to which he could not give his personal attention.

It is no exaggeration to say that every legitimate insurance man in Colorado feels a personal loss in Mr. Rittenhouse's retirement. In all other States, too, the regret will be genuine. Politics plays queer pranks. There seemed to be but a small possibility of Republican failure in Colorado this year, but party quarrels and bitter factional fights developed, until the Republicans were all shot to pieces. A strong party man, Mr. Rittenhouse aligned himself with the dominant wing, and gave his services to the publicity bureau, doing splendid work. The returns were like a lightning bolt. The people emphatically showed their contempt of the efforts of factions and party bosses to rule the voters. It is unfortunate that in rebuking the arrogance of bossism such a man as Rittenhouse had to be eliminated from public life.

The future is bright for this man; it cannot be otherwise. His genius for effectively doing constructive things is an uncommon

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FIRE INSURANCE AGENTS
CAN GET
LIBERAL COMMISSIONS
ON CASUALTY LINES
PHILADELPHIA CASUALTY CO. PHILADELPHIA PA.

trait and commands a high price in the market place. Logically, Mr. Rittenhouse belongs in life insurance. His name is known to every solicitor of every life insurance company in America. He is a terror to the wrongdoer, the fakir and the promoter, the type of those mountebanks of life insurance who seek personal profit at the cost of trusting people. Mr. Rittenhouse has executive ability plus. He is a born leader, a student, a man of vigor and force, and I fancy that many companies are hungering for just such a man.

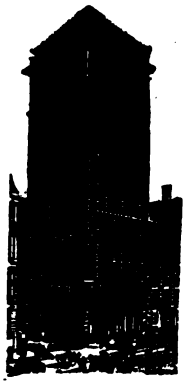
GERMANIA
FIRE INSURANCE COMPANY
NEW YORK.
ORGANIZED 1859.

Cash Capital	$1,000,000.00
Assets	5,185,649.51
Net Surplus	949,260.99

HEAD OFFICE
Cor. William and Cedar Streets.

QUEEN
Ins. Co. of America.
NEW YORK.

SURETY ON BONDS


Home Office Building, New York.

American Surety Company of New York

100 Broadway, - New York

Capital, $2,500,000

Bonds issued for Employees, Administrators, Guardians, and in Judicial Proceedings.

STATEMENT DECEMBER 31, 1907.

Resources (including Capital, $2,500,000)	$6,365,342.47
Liabilities (including Reserve, $1,126,946.11)	1,746,329.08

HENRY D. LYMAN, *President.*
W. S. JOHNSTON, *Vice-President*

Commonwealth of Pennsylvania

Insurance Department

HARRISBURGH, Pa., November 11, 1908.

I, David Martin, Insurance Commissioner of Pennsylvania, do hereby certify, that at the request of the Pittsburgh Life & Trust Company I have caused an examination to be made of the books and accounts of said Company, and the Assets and Liabilities as of June 30th, 1908, were as follows:

ASSETS

Real Estate	$3,431,000.00
Mortgage Loans	252,600.00
Collateral Loans	47,500.00
Policy Loans	514,536.56
Premium Notes and Lien Notes	88,773.44
Bonds, $393,408.41; Stocks, $8,250.00	401,658.41
Cash in banks and on hand	36,222.15
Contingent Reversion	5,700.00
Interest and Rents due and accrued	38,841.47
Net due and unreported Premiums	127,581.80
	$4,944,413.83

LIABILITIES.

Legal Reserve for the carrying out of policy liabilities	$3,731,879.00
All other liabilities	280,587.01
	$4,012,466.01
Assets as security to policyholders in excess of all legal requirements	931,947.82
	$4,944,413.83

The Capital Stock was carefully checked and certified to by the Registrar. Income and Disbursements were gone over carefully.

The Real Estate was appraised by several independent real estate experts and builders, both in New York and in Pittsburgh.

The affairs of the Company have been managed with the object in view of keeping the expenses as low as those of the most economically managed life insurance companies.

In September, 1906, the business of the Security Trust & Life Insurance Company was reinsured by the Pittsburgh Life & Trust Company. That Company had disbursed for expenses during 1904 and 1905 over 42½% of its premium income, whereas in 1907 the Pittsburgh Life & Trust Company transacted its entire business at a cost that equalled but 17% of its premium income, showing a reduction in the handling of the business of the Security Trust & Life Insurance Company of over 25½%.

It would seem, therefore, that the reinsurance and grouping together of these companies was a distinct advantage to the Policyholders of each.

Every facility for making a thorough examination and whatever assistance possible was given by the officers and the employees of the Company, and every courtesy shown your examiner.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year first above written.

SEAL OF INSURANCE DEPARTMENT, STATE OF PENNSYLVANIA.

DAVID MARTIN,
Insurance Commissioner.

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Mutual Life Policies

ARE EASIEST TO SELL

BECAUSE

Yearly dividends have been increased for the last three years, 1906-7-8, at a rate equaled by no other company.
Cash values guaranteed in the new life and endowment policies are equaled by few companies.
Attractive features have been added to standard policy forms.
Liberal terms offered producing agents under the 1908 contracts.

For information, address

GEORGE T. DEXTER
Second Vice-President
The Mutual Life Ins. Co. of New York
34 Nassau Street, New York, N. Y.

1860 48TH YEAR 1908

HOME LIFE INSURANCE COMPANY

OF NEW YORK.

GEORGE E. IDE, President

ASSETS, $20,004,853.63. LIABILITIES, $19,235,418.20.
(Including Dividend-Endowment Fund)

Dividend-Endowment Fund (Deferred Dividends)	$1,795,020.00
Net Surplus	769,435.43
Insurance in Force	86,193,296.87

The forty-eighth annual report shows a gain in the amount of insurance in force; that assets were increased nearly $1,000,000, and that over $300,000 was paid to policyholders in dividends.

The Connecticut Mutual Life Insurance Company

Stands alone among the American companies of any note, in having repaid to its members, their beneficiaries and estates, in annuities, endowments, death claims, surrender values and dividends, more than it has received from them in premiums. These are the totals:

Received since organization—1846	$249,356,745.45
Repaid as above noted	253,641,382.54
Excess over amount received	4,284,637.09
Assets December 31, 1907	65,003,271.10
Surplus December 31, 1907	2,326,657.25
Insurance in force December 31, 1907	174,716,005.00

President, JOHN M. TAYLOR.

1825. THE 1908.

Pennsylvania Fire Insurance Co.

OF PHILADELPHIA.

Cash Capital	$750,000.00
Reinsurance and all Liabilities	4,096,833.14
Surplus	1,615,283.97
Total January 1, 1908	$6,462,117.11

R. DALE BENSON, Pres. W. GARDNER CROWELL, Sec.
JOHN L. THOMSON, Vice-Pres. HAMPTON L. WARNER, Asst. Sec.
WM. J. DAWSON, Sec. Agency Dept.

Western Assurance Company

HEAD OFFICE: TORONTO, CANADA.
INCORPORATED 1851.

Hon. GEO. A. COX, President.
W. R. BROCK, Vice President.
W. B. MEIKLE, General Manager.

UNITED STATES STATEMENT, JANUARY, 1908.

Assets	$2,318,223.21
Surplus in United States	584,136.52

[FIRE]

German American Insurance Company New York

STATEMENT JANUARY 1, 1908

CAPITAL
$1,500,000
RESERVED FOR ALL OTHER LIABILITIES
7,592,685
NET SURPLUS
4,415,353
ASSETS
13,508,038

FIREMEN'S

Insurance Company of Newark, N. J.

ORGANIZED 1855

CAPITAL,	$1,000,000.00
ASSETS,	4,701,068.80
SURPLUS TO POLICYHOLDERS,	3,148,371.45

DANIEL H. DUNHAM, President CHARLES COLYER, Vice-President
A. H. HASSINGER, Secretary

WHITON & MERGES, Agents, . . 73 William Street, New York
LEWIS & FREAR, Agents, . . . 145 Montague Street, Brooklyn
H. W. BEALS, Suburban Agent, . 76 William Street, New York

Insurance Co. of North America,

232 WALNUT STREET, PHILADELPHIA.
FOUNDED 1792.

Assets, January 1, 1907		$10,748,864
LIABILITIES—Reserved for Reinsurance and all other claims	$6,705,870	
Capital Stock	3,000,000	
Surplus over all Liabilities	1,042,994	$10,748,864

Agents in all the principal towns and cities.

CHARLES PLATT, President.
EUGENE L. ELLISON, Vice-President. BENJAMIN RUSH, Second Vice-President.
GREVILLE E. FRYER, Secretary and Treasurer. T. HOUARD WRIGHT, Assistant Secretary.
HENRY W. FARNUM, Marine Secretary. JOHN O. PLATT, Assistant Secretary.
Offices in New York: Fire, 51 William St.; Marine, 63 Wall St.

NOTICE

Insurance Losses and Claims for Damages amicably and satisfactorily Adjusted. Otherwise resisted, defended at Law or in Equity for Companies by

T. F. HANLON

ADJUSTER AND ATTORNEY

BALTIMORE, MD — CALVERT BLDG.
WASHINGTON, D. C. — COLORADO BLDG.
(Address Washington. 'Phone: Main 7132).

Twenty-five years' experience Member Bar U. S. Supreme Court.
GO ANYWHERE. OPERATE ANYWHERE.

Established 1782.

Phoenix Assurance Company, Ltd.,

OF LONDON.

FIRE INSURANCE ONLY. LOSSES PAID, OVER $135,000,000.
Head Office for the United States, 47 Cedar St., N. Y.
A. D. IRVING, Manager LOUIS P. BAYARD, Asst. Manager
A. D. IRVING, Jr., Sec.

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THE
PENN MUTUAL LIFE
OF PHILADELPHIA
HAS FURNISHED
PERFECT PROTECTION AT PROPER RATES
For 60 Years
Our agents are representative citizens of their respective communities.

Provident Life and Trust Co.
OF PHILADELPHIA.

The new policies of the Provident are unsurpassed for conciseness and simplicity of form and for adaptability and liberality in all essentials.

The premium rates of the Provident are exceedingly low and are still further reduced by large annual dividends.

SUN
Insurance Office
OF LONDON
FOUNDED 1710
UNITED STATES BRANCH:
54 PINE STREET, NEW YORK
WESTERN DEPARTMENT:
171 LA SALLE ST., CHICAGO
PACIFIC DEPARTMENT:
N. E. Cor. Sansome and Sacramento Sts.
SAN FRANCISCO, CAL.

The Agricultural Insurance Company of Watertown, N. Y.
ESTABLISHED 1853.

Assets, January 1, 1908	$2,717,477.10
Total Liabilities, except Capital	1,705,859.80
Joint Stock Capital	500,000.00

COMMERCIAL UNION ASSURANCE CO.
LIMITED,
OF LONDON.
OFFICE:
Cor. Pine & William Sts., New York.

Organized 1871
Life Insurance Company of Virginia
HOME OFFICE, RICHMOND, VIRGINIA
J. G. WALKER, President.
T. WM. PEMBERTON, 1st Vice-Pres. W. L. T. ROGERSON, Secretary.
The PIONEER Southern Industrial Life Insurance Company.
The OLDEST Southern Life Insurance Company.
The LARGEST Southern Life Insurance Company.
The most approved forms of Life, Endowment and Industrial Policies issued on favorable terms.

Assets	OVER $4,000,000.00
Insurance in force	OVER $61,000,000.00
Total payments to policyholders since organization	OVER $3,500,000.00

ONLY THE MAN
with a Columbian National License may sell
Massachusetts Non-participating Life,
Massachusetts Accident, Health and Disability
Liberal Policies backed by a Large Surplus
We want high grade men—General Agents, City Managers and District Managers. Save time by writing fully.
THE COLUMBIAN NATIONAL LIFE INSURANCE CO.
Home Office: 130 Federal St., Boston, Mass.

CHARTERED 1866.
HARTFORD LIFE
Insurance Company of Connecticut
GEO. E. KEENEY, President.
ALL THAT IS BEST IN LIFE CONTRACTS
EITHER TO BUY OR SELL
$30,000,000 Paid Policyholders and their Beneficiaries.

Accident INSURANCE Health
CONTINENTAL CASUALTY COMPANY
CHICAGO, ILLINOIS
The Largest Company in America Writing Accident and Health Insurance only
More and better forms of accident and health policies, issued separately or in combination, than are sold by any other company, including the latest popular winner ANNUITY ACCIDENT INSURANCE
If not now representing an accident company, address:
H. G. B. ALEXANDER, President and General Manager.
1208 Michigan Avenue, CHICAGO, ILL.

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HOME OFFICE OF THE

Metropolitan Life Insurance Co.

INCORPORATED BY THE STATE OF NEW YORK

The Company OF the People, BY the People, FOR the People.

PROOF OF PUBLIC CONFIDENCE

This company has more premium paying business in force in the United States than any other Company, and for each of the last 14 years has had more New Insurances accepted and issued in America than any other Company.

The number of Policies in force is greater than that of any other Company in America, greater than all the Regular Life Insurance Companies put together (less one), and can only be appreciated by comparison. It is a greater number than the Combined Population of Greater York, Chicago, Philadelphia, Boston, St. Louis, Cleveland, Cincinnati and Milwaukee.

ASSETS.

United States, City and R. R. Bonds and Stocks	$81,500,727.38
Bonds and Mortgages	74,620,197.45
Real Estate	19,905,688.48
Cash	5,258,969.45
Demand Loans on Collateral	3,476,500.00
Loans to Policyholders	6,552,375.12
Prem. deferred and in course of collection (net)	4,772,106.25
Accrued Int., Rents, etc	2,233,904.15
Total	$198,320,463.28

LIABILITIES.

Reinsurance Fund and Special Reserves	$181,775,579.00
All other Liabilities	1,542,871.65
Capital and Surplus	13,951,899.14
Total	$198,320,463.28

Largest Office Building in the World—Madison Avenue, Fourth Avenue, 23d Street and 24th Street, New York City.

SIGNIFICANT FACTS

This Company's Policy-claims paid in 1907 averaged in number one for every 64 seconds of each business day of 8 hours each and in amount $124.95 a minute the year through.

THE DAILY AVERAGE OF THE COMPANY'S BUSINESS DURING 1907:

452 per day in number of Claims Paid.
6,891 per day in number of Policies placed and paid for.
$1,239,393.45 per day in New Insurance placed and paid for.
$162,489.27 per day in Payments to Policyholders and addition to Reserve.
$72,011.34 per day in Increase of Assets.

OFFICERS

JOHN R. HEGEMAN.....President
HALEY FISKE.....Vice President
GEORGE H. GASTON.....2d Vice President
GEORGE B. WOODWARD..3d Vice President
FRANK O. AYRES.....4th Vice President
JAMES M. CRAIG.....Actuary
FREDERICK H. ECKER.....Treasurer
WALTER STABLER.....Comptroller
JAMES S. ROBERTS.....Secretary
JOHN R. HEGEMAN, Jr.....Asst. Secretary
J. J. THOMPSON.....Assistant Secretary
T. R. RICHARDSON.....Assistant Secretary
F. F. TAYLOR.....Assistant Secretary
FREDERICK A. BETTS..Assistant Secretary
STEWART L. WOODFORD.....Counsel
THOMAS H. WILLARD, M. D..Med. Direct.
AUGUSTUS S. KNIGHT, M. D..Med. Direct.
W. S. MANNERS, M. D., Asst. Med. Director
E. M. HOLDEN, M. D...Asst. Med. Director
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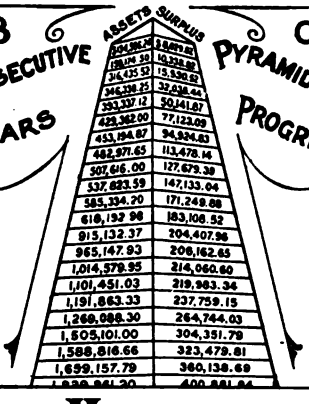

ASSETS	SURPLUS
304,586.34	3,669.82
318,145.39	10,336.66
314,435.52	15,538.52
346,398.25	37,038.44
393,337.12	50,141.87
423,362.00	77,123.09
453,194.87	94,924.83
482,977.65	113,478.14
507,616.00	127,679.39
537,823.59	147,133.04
585,334.20	171,248.88
618,192.98	183,108.52
915,132.37	204,407.96
965,147.93	208,162.65
1,014,579.95	214,060.60
1,101,451.03	219,983.34
1,191,863.33	237,759.15
1,268,088.30	264,744.03
1,505,101.00	304,351.79
1,588,816.66	323,479.81
1,659,157.79	360,138.69
[illegible]	[illegible]

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2,581,210.48	624,347.45
2,837,319.76	840,940.17
3,474,683.86	1,017,832.87
3,[illegible]	[illegible]
3,67[illegible]	1,193,[illegible]
3,911,743.34	1,199,685.49
4,069,140.67	1,252,267.06
4,310,836.19	1,257,038.25
4,500,404.12	1,322,978.14

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The Weekly Underwriter:

AN INSURANCE NEWSPAPER.

ESTABLISHED 1859.

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CHARLES A. JENNEY, President and Treasurer. L. ALEXANDER MACK, Secretary.

THERE is a hopeful indication in the newest change in the control of the Provident Savings Life Assurance Society that it will be final. It does not seem possible that a man conscious of his strength to make a great future for himself, such as Insurance Commissioner Rittenhouse undeniably is, would consent to assume the responsibility of management unless he knew beyond a shadow of doubt that the commission would be permanent. What the company must have to keep it out of the hands of the receiver is a restoration of confidence in its solvency and ability to carry out its contracts. This Mr. Rittenhouse is competent to give, provided he is assured of unlimited time to rebuild.

AT this time of universal perplexity as to what would be a suitable holiday gift to the proper object of one's beneficence, let us commend the discernment of a firm of St. Louis merchants, to which the custom of the season appealed. It has given to each of its employees as a Christmas present a policy in a first class regular life insurance company, and agrees to keep up the annual premium payments so long as the employee continues in its service. More than a hundred persons share in this largess, and the policies will range from $500 to $2,000, according to the length of time the insured has been with the firm. If he quits, the policy will not lapse, but he must assume its maintenance. To the employee who cannot pass the medical examination there will be a solatium of a cash donation. With this exhibit of a solution of the annual Christmas problem placed on view, there need be no more indecision in gift-making to friend, employee or dependant. The life insurance policy is the thing; the premium to be kept up by the donor. It is due to the exemplar in this case that its name and address should have the benefit of an advertisement. It is the Simmons Hardware Company, of St. Louis.

THE oldest insurance company in the world is the Sun Insurance Office of London, and it enters upon its two hundredth year in 1909. The year will be completed on April 7, 1910. Beginning when Anne was queen as a fire office solely, it has grown with the British Empire until, like it, its interests extend throughout the world, and its privileges embrace every kind of underwriting. The company was admitted to the United States a little more than a quarter century ago. Its first year's assets here were $1,095,229. Mr. Guile soon after became its resident manager, and under his direction these assets have expanded to nearly $4,000,000. No insurer of property stands higher in American estimation today than the Sun of London. This respect and confidence is born of an unvaried career of honor and liberal dealing under Mr. Guile. The United States branch will commemorate the two hundredth year with a general advance by its agents in the volume of new business. But it will be an advance along conservative lines. The manager in his letter to the field force says:

> What is wanted, however, to evidence the interest of our representatives in our ancient corporation is that "bi-centennial offerings" shall be upon a high class of business carrying a satisfactory rate of premium, although we have no doubt that whatever may be written for our account will, under the circumstances, be of more than average quality, and prove acceptable.

THE Massachusetts savings bank plan of life insurance will have had a half year's trial at the close of this month, and our enterprising contemporary, the *Standard*, has collected considerable material showing the results of the experiment so far, interesting extracts from which we take the liberty of reprinting. It is true that the experience has been limited to but two savings banks, but this has only served to emphasize the results, for the hopeful and enthusiastic friends of the scheme have thus concentrated instead of scattered their efforts to make it succeed. And it has to be recorded that it has broken down in the first and most important of its fundamental conditions. This was that it will write life insurance for the workingmen without soliciting their business, and without the employment of canvassing agents, thereby saving the expense of commissions and enabling the savings banks to furnish insurance cheaper than the industrial companies. Indeed, what was described as an "over the counter business" was claimed to be the chief advantage of the new plan. It seems from the facts gathered by our contemporary that notwithstanding the allurements of shrewd canvassing literature the working classes are not applying for insurance voluntarily, and that as a consequence of the beggarly returns from "counter" applications large employers of labor, who are friends of the plan, have taken the field and are using their influence with their employees in a form that savors somewhat of coercion, to take policies. The means used are the appointment by these firms of agents to whom the employed are advised by the officers or their messengers to apply for information as to insurance when they go to be paid off. Or these agents are engaged directly in soliciting the consent of the employed to be insured by the savings bank, the premium to be deducted from their wages. For one of the two savings banks in the business this machinery has produced so far 539 policies, representing approximately $200,000 of insurance in force. The other bank has done much less. How the insured like this method of "pulling in" is indicated by a

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number of statements made to our contemporary, of which the following is a sample:

I was sent for and talked to about the insurance. I have considerable insurance on my life now, and I did not feel that I wanted any more. After a while I signed a slip, with the understanding that I should have a little time to think it over. When I got home that night I found the doctor there to examine me. I was sore about it, but finally let him examine me, and I have the policy. I don't like the way the business was done in my case. I do not think that many of the help in the factory care much about the insurance, one way or the other, and I understand that some of them took out the insurance because they thought it would be best for them to do so, as the firm was back of it.

Not only does it appear that the employee is invited to call "at the captain's office" and have the screws applied, but he is solicited by "argument," such as the following:

The State of Massachusetts has cleared the way for you. She has cut off all the frills and trimmings. All the marble office buildings and fifty-thousand-dollar-a-year presidents and high salaried directors and annual agents' jollifications are squeezed out. She offers you just plain protection at the lowest possible cost, and with all the profits paid back to those you leave behind. * * Cut out the rake off. The Good Book says, "Share ye one another's burdens." The insurance companies say, "Share ye one another's burdens and pay us a rake off." The State of Massachusetts, through its savings banks, has cut out the rake off.

Such methods as these and their results are a sorry showing for even a half year, for a system that, according to Mr. Brandeis and his sympathizers, was going to revolutionize life insurance. The scheme has failed in its most boasted feature at the outset. Is it at all probable now that other savings banks of the Commonwealth will take it up? So far but two as principals and three as their agents, out of a total of 189, have dared. A timely article on the system, written by President Aiken, of the Worcester County Institute for Savings, doubtless voices the opinion of those which have not dared. He declares that the reputation and safety of the savings banks will be jeopardized by their "venture into new and entirely unknown fields, the fruits of which are at least problematical." The worst of it is that the State of Massachusetts mothers and supports the new scheme and pays part of its cost.

Facts and Opinions.

The **insurance department** of the **Knights of Pythias** some time ago established a new fifth class, based on the American Experience Table of Mortality, holding that the rates provided for in the fourth class were inadequate to carry out the contracts. Up to November 30 there were 45,533 members in the new fifth class, the majority of them being transfers from the fourth class, it being provided that until December 31 of this year old members could transfer to the new adequate rate class without medical examination. The board of control has now found it necessary to levy a special assessment upon the fourth class members, payable with the regular monthly payment in February, 1909. This has long been regarded as inevitable, it having been predicted when the new fifth class was formed that within two years special assessments would be necessary in the old class. It was precipitated, however, by the action of the insurance departments of Nebraska, South Dakota and Illinois, which recently made an examination of the department, and declared that the fourth class rates were inadequate and notified the board of control that it was its duty to collect from that class increased rates of contributions and to levy special assessments sufficient to meet the increased death losses. During the first eleven months of 1908 the death losses in the fourth class have exceeded the income for mortuary purposes for the members of that class by $250,000. The report of the actuary shows that to meet its fourth class certificates the department should have a reserve fund of $14,000,000, while the mortuary fund of the fourth class amounted to $888,783 on December 1. It is supposed that this action of the insurance departments and the special assessments will materially increase the number of transfers to the new fifth class.

The Superintendent of Insurance mailed this week to each insurance corporation transacting business in this State a letter advising that the **New York department** would issue and distribute on or before January 15 next a **pamphlet showing** the "market value" on December 31, 1908—as ascertained by the department expert—of all **stocks and bonds** owned or held as collaterals for loans by any insurance company. This pamphlet will carry the values of some 7,500 different securities owned by the various insurance corporations, and probably 75 per cent. of this number are unlisted securities. The greatest care has been taken to obtain the most reliable data regarding the non-listed securities before fixing a valuation on them, and the Insurance Department believes that the figures which will be carried in the pamphlet are as accurate as it is possible to make them. The issuance of this pamphlet will aid companies in the preparation of their statements, and the department will, through its bureau of audit, so prepare its annual reports for the next year as to show uniformity in all valuations of security holdings of insurance corporations. Every statement of a company will be audited by the department on the basis of valuations carried in the pamphlet, resulting in a comparative showing of the financial condition of all companies upon a single standard. In the letter of the superintendent announcing this plan Mr. Kelsey says in part:

Companies will, as provided by the law of New York, file with the New York Department their annual statements, in which the market value of the stocks and bonds has been determined by themselves. It is the intention of this department, in order to secure uniform statistics, to publish in detail the department's valuation, as fixed by the expert, of each stock or bond, in addition to the company's valuation, except where these valuations coincide throughout the schedule. This notice is given in order that companies not intending to complete their statements before January 15 may have the department's valuations for reference.

Early Wednesday morning **Frederick A. Burnham,** former president of the Mutual Reserve Life of New York, was found **dead** in bed at his home on East Seventy-eighth street, death being caused by asphyxiation. His sleeping room was filled with gas, which had escaped from the gas stove in the bathroom, which adjoined his room. Mr. Burnham had been suffering from diabetes and heart disease for some time. It was illness which prevented the trial of five criminal indictments found against him in 1906, three charging grand larceny and two charging forgery in the second degree. Recently the receivers of the Mutual Reserve Life had filed suit against him demanding an accounting of $300,000 of the company's money which it was charged had been misapplied. Mr. Burnham was a native of Burrillville, R. I., where he was born January 7, 1851. He was educated at the Bacon Academy, Colchester, N. Y., and in 1867 entered Wesleyan University at Middletown, Conn., from which he was graduated valedictorian of his class. He studied law at the Albany Law School and was admitted to the bar in 1873. He began to practice in New York, and a few years later was appointed counsel to the Mutual Reserve Fund Life Association. He subsequently became a director of the association and chairman of the executive committee. During the illness of the late President Harper, from December, 1894, to July, 1895, Mr. Burnham was acting president, and succeeded to the presidency at the latter date. He continued as president of

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the Mutual Reserve Life insurance company when the assessment company went on the legal reserve basis in 1902, resigning in 1907.

The Attorney General of Pennsylvania, Hampton L. Todd, and Insurance Commissioner Martin are the objects of an attack by Robert H. **Jessup**, a life insurance agent of Scranton, Pa., who **charges** that **favoritism** exists in the conduct of these offices, which is detrimental to the enforcement of the law. The complaints date back a year, when Jessup complained to Insurance Commissioner Martin that the Scranton Mutual Life insurance company, then an assessment company, was issuing policies guaranteeing cash surrender values. The commissioner replied that the company had a right to issue such policies if it put into them a provision for assessment to carry out the contracts, an attorney general some years ago having held such an opinion in case of a company operating on the same plan as the Scranton company. In June last Jessup reopened the subject with a declaration that the Scranton company was issuing cash surrender policies without any right reserved to assess the policyholders. Jessup objected to Deputy Attorney General Fleitz rendering an opinion on this contention, because that official was acting as the regular counsel of the Scranton company. To this Commissioner Martin retorted that there was no impropriety, because the matter had long ago been decided in a similar case, and there was nothing new in the case. Jessup next carried the matter to Attorney General Todd, who promptly replied that there was no record in his office of any opinion on the subject, and that Fleitz assured him no such opinion had been rendered. Jessup makes the claim that he can get no opinion on the subject of the Scranton company's policy.

To **turn up alive** in a distant State after several **life insurance** companies have been convinced that you were dead and have accordingly **paid** the amount of your policies to your widow is an experience that every man does not have and few really want. All this has happened to Henry F. Agar, of Princeton, Ind., who was believed to have been drowned in the Wabash River in January, 1907. Last week Agar was arrested at San Antonio, Tex., and will be brought back to his home to answer charges of forgery and embezzlement growing out of numerous alleged crooked operations which developed after he had dropped out of sight. In all some $30,000 of insurance was carried by the "drowned" man. The Union Central of Cincinnati paid a $3,000 policy, while the $5,000 of the Reserve Loan Life of Indianapolis and the $1,000 of the Intermediate Life of Evansville were placed in trust, to be paid to the widow after a reasonable time had transpired without the appearance of Agar. The alleged defaulter had a policy for $6,000 in the Bankers Life of Des Moines, besides policies aggregating several thousand in certain fraternal orders. Many of the policies were in litigation when the news of Agar's arrest in Texas was received. It is claimed that Agar is an embezzler and forger to the extent of $125,000.

Following proceedings instituted at the instance of Insurance Commissioner Hardison, Judge Loring of the Massachusetts Supreme Court last Tuesday appointed Robert W. Sawyer, Jr., a lawyer, to take charge as **receiver** of the affairs of the **Home Circle** Fraternal Beneficiary Society of Boston. In his report for 1905 former Commissioner Cutting spoke of the Home Circle as "burdened with claims and handicapped by a persistently diminishing membership to pay them, as is always the case when a fraternal reaches a certain point in its downward course." Mr. Cutting noted also that it had been able to reinsure its members in the Golden Cross, a Tennessee fraternal, which also assumed the liabilities of the Boston order, as of August 1, 1906. This course created dissatisfaction among the members of the Golden Cross. Action to block it was instituted, which recently came to an end by a decision of the Supreme Court of Tennessee annulling the merger. Thus the Home Circle was thrown back upon its own resources, which appear to be not over $10,000, while some $50,000 are due for benefits, a state of affairs which has culminated in the receivership above noted.

Press dispatches announce that an undertaker near Baltimore has hit on a new variety of the **trading stamps game**, by which, instead of receiving Morris chairs, bronze lamps and other similar useful things for household wear and tear, the owner will be entitled to **one first class funeral** as soon as he has made enough purchases to cover the amount, and best of all a monument will be thrown in. The undertaker figures it out that the agreement should be perfectly satisfactory in every way, because all the time a person is buying things to live with the purchaser is collecting trading stamps to die and be buried with. The idea, according to the originator, has got the insurance idea beaten to a "frazzle," or words to that effect. The undertaker in question has purchased 150 acres of desirable land near Respas City, not far from Baltimore, and hopes to accommodate people at the earliest opportunity. How satisfactory the funeral and monument will prove is still a matter of doubt, but to doubters the undertaker would probably offer a free trial, as the proof of the pudding is in the eating.

The Hughes newspaper organs are concerned about the alleged machinations of the "bosses" **to thwart the Governor's reforms** in the next Legislature. So it turns out as we suggested, that the Governor is not to be allowed to have his own way next year any more than he has in the past. It is the New York *Times* that is troubled this week about the plotting of the party leaders against Mr. Hughes, particularly in the matter of his favorite plan to provide for direct primary nominations. It says:

> Of course the "Old Guard" will be back in the Senate at the next session, and the Wadsworth machine will be as strong as ever in the Assembly. Orders could be given to kill any plan for primary or election reforms proposed by the Governor outright. But this would make it necessary for Republican State Chairman Woodruff to go back on his earlier declaration, and would furnish the Governor with an excellent ground for "an appeal to the people." This time the bosses are determined to make no such bungling job of it. They are going to take a leaf out of the Governor's little book and appoint a commission, which will probe and probe and make such a thorough job of it that the work will not be half through by the time the Legislature is ready to adjourn.

An examination of the **Empire Life insurance company** of Atlanta, Ga., has been made for the Georgia Insurance Department by Actuary H. W. Buttolph, of Indianapolis. He gives the statement as of September 15 last, showing a total income since January of $308,623, including $222,115 for premiums. The disbursements amounted to $236,064, of which $37,318 went to policyholders and $29,800 as dividends to certificate holders. Admitted assets are reported at $309,463 and liabilities at $278,142, leaving a surplus on policyholders' account of $31,321. The business in force approximates $9,500,000, of which about $7,650,000 is valued on the basis of the first year being full preliminary term insurance.

Damage **suits against** twelve **fire insurance companies** operating in **Arkansas** and their general agents have been filed by Prosecuting Attorney Campbell, of Little Rock, charging the defendant companies with being in an illegal agreement to regulate insurance rates and commissions paid to agents

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on October 15 and for a number of days thereafter. He only asks for convictions upon six specific days, from October 23 to 28, inclusive. The prosecuting attorney claims those in the agreement and representing about 75 per cent. of the insurance companies doing business in Arkansas decided to pay only 15 per cent. to agents, while other companies in the State were paying from 15 to 25 per cent. on a "graded commission." Mr. Campbell claims that the companies should each pay into the State $5,000 for each of the six days they are charged with violating the law, thus making each of the twelve companies pay in $30,000.

The **Wisconsin** Attorney General has given Insurance Commissioner Beedle an opinion that entrants under twenty years old cannot be charged the same **rate** in a **life insurance policy** as a person of that age, since such a practice would violate the anti-discrimination laws of that State. The question was brought up by the practice of the Ætna Life of Hartford, which is quite generally followed by life companies. Such a practice has been tabooed for future operations in Wisconsin. The Attorney General holds that to charge persons of unequal expectation of life the same premium would be a palpable discrimination. The Attorney General further held that interest charged on semi-annual and quarterly premiums cannot be considered as a part of the premiums or treated as expense, if the contracts be such as to constitute the transactions bona fide loans from the company to the insured.

Oftentimes the **placing** of a few **big lines** of fire insurance will pay handsomely. A case in point occurred lately in the West. M. D. Stevenson, son-in-law of L. M. Jones, president of the Jones Dry Goods Company of **Kansas City,** lately sold out his furnishing goods store and established the Atlas Investment Company. He is president, while L. M. Jones is vice president and J. L. Jones secretary and treasurer. W. B. Johnson & Co., Kansas City local agents, took him into their office, giving him the agency of the American National Fire of Rock Island. This will give him the placing of the Jones Dry Goods Company's line, which amounts to nearly $2,000,000; the Jones Brothers Mercantile Company, with insurance of $700,000, and the Stevenson Furniture Company, owned by them, with insurance of $300,000.

A letter has been received from **Auditor Scherr** of West Virginia in which he says that this paper has misinterpreted his **position regarding assessment insurance companies,** as indicated in his recent insurance report which was referred to in our last issue. He points out that it is the section of the code referring to the admission of mutual assessment life insurance companies and not of fraternals which he believes should be repealed in its entirety. He says in his report in this connection:

Section 27a of Chapter 55 of the Code, relating to the admission of mutual assessment life insurance companies, should be repealed in its entirety. Assessment companies, other than fraternal, are almost extinct, and from the past record of such institutions it becomes apparent that our citizens should be given ample protection, and that the operations of these companies should not be legalized.

The committee on organization appointed at the recent meeting of the fire commissioners and chiefs of New Haven, Hartford, Waterbury and Bridgeport has called a meeting of those interested in New Haven for December 30, at the rooms of the Chamber of Commerce. The proposed name of the new association will be the **Fire Prevention Association of Connecticut.** Membership will be open to present and past fire commissioners, fire chiefs, fire marshals, building inspectors, fire wardens and others in charge of local fire service. The object of the association will be to work for the prevention of fires by the enactment of State laws and to arrange for mutual assistance in emergencies.

On Tuesday night just previous to the final curtain of the "Three Twins" playing at the **Herald Square Theatre,** New York city, **fire** was discovered in the gallery, due, it is believed, to defective wiring of the big electric signs. The cool headed manager rang the curtain down while the performance was still going on, and there was no panic and no one was hurt. The front of the structure was totally destroyed and a part of the roof fell in. The damage was about $40,000, being principally confined to the auditorium, which suffered from water and smoke. The manager's office was destroyed. The stage and scenery were not badly damaged.

Harvard University again offers a course of free public **lectures on medical subjects,** to be given at the Medical School, Longwood avenue, Boston, on Saturday evenings and Sunday afternoons, beginning January 3 and ending April 25, 1909. This will afford the inspectors of life insurance companies fortunate enough to live in Boston a most valuable opportunity to get the benefit of the ideas of the best known authorities on various subjects connected with their work and in terms readily understandable by the layman. Several of the lectures will relate to the care of the young, who form so large a part of industrial company writings.

A former local agent of the Northwestern National of Milwaukee, one R. E. Hatcher, of Fargo, has just won a suit for $2,000 the company had brought against him to recover for the loss it incurred by reason of a **fire at a horse collar factory** insured through the Hatcher agency. The company claimed that the risk was on the prohibited list, and such being the case should never have been written by Hatcher. The testimony presented by the defendant showed that only 10 per cent. of the risk was used for the hazardous manufacture to which objection was made, and the jury promptly decided against the company.

The Royal of Liverpool, having decided to transact **insurance against loss of profits** through the interruption of business by fire in Great Britain, has appointed Alexander B. Wright, recently manager of the profit department of the Profits and Income insurance company, to head its new department. The Commercial Union Assurance Company has also decided to issue in Great Britain policies covering the loss of net profits caused by the interruption of business following a fire, the payment of standing charges and the increased cost of working while the business is wholly or partially unproductive.

The question whether the foreign life insurance companies which withdrew from the State of **Wisconsin** because of objectionable life insurance **legislation** can be **compelled to file reports** with the Insurance Department of that State will come up, it is hoped, before the end of the year in the Dane County court at Madison in the test case directed against the Columbian National Life of Boston. The companies will be represented in the action by former United States Senator John C. Spooner of Wisconsin. It is likely that the matter will be carried up to the higher courts before a decision is finally obtained.

A **profit sharing bond** has been placed on the market by the **Wisconsin National Life** of Oshkosh to sell for $150, while the money derived from each of the 2,000 issued will be devoted to promoting the company's business. The company agrees

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on each anniversary of the granting of its charter to set apart a special profit sharing fund from the company's earnings, and one share in this fund will be paid the bondholder or his estate on each succeeding anniversary for a period of thirty years. The scheme seems to savor of the special contract and board plans which have been tabooed in most of the States.

The **demurrers** of the North River and Globe and Rutgers insurance companies to the damage suits of the Luckett-Wake Tobacco Company for losses sustained in the "night rider" raid on Russellville, Ky., January 2, 1908, were **upheld** by Judge Evans in the Federal court at Louisville, Ky., on Tuesday. Judge Evans ruled that the defense of the companies, that the **riot clause exempted** them **from paying losses** caused by night riding organizations, had not been met by the plaintiffs, and the suits were dismissed. The case will be carried to the United States Circuit Court of Appeals.

The investigation into the series of suspicious deaths in the family of Mary Kelleher, of Cambridge, Mass., noted in last week's issue, has led to the exhuming of the body of one of her daughters, Catherine, who died last July at the age of twelve. Meantime Mrs. Kelleher has been held for the grand jury on a **charge of incendiarism.** The stomach of the girl is to be examined for traces of arsenic, but should it prove that she was embalmed in a fluid containing arsenic as an ingredient it will be difficult to establish any conclusions based on the suspicions of the police.

The **receiver** of the **American Underwriters' Fire insurance company** of Monroe County, New York, John H. Hicks, has been directed to levy an assessment of about $22,000 on the 1,200 remaining members of the company, by a decision of Supreme Court Justice Arthur E. Sutherland, handed down at Rochester. This will mean an average of $180 on each member. The ruling is a confirmation of the report of Referee Peck, of Canandaigua, that the sum in question is required to pay all the debts of the company and the expense of closing up its affairs.

It is asserted that the decision of Judge Wheeler in the Superior Court at New Haven on Friday last sustaining the demurrer of the plaintiffs in the case of **Charles H. Dresser** and others against the **Hartford Life** and others, does not affect the main issue in the suit. The demurrer was to the answer of the Security company of Hartford, which is the custodian of the reserve fund of the assessment policyholders. This fund now amounts to about $1,000,000, and when the suit was brought the Security company was cited in as defendant.

The plan to **reinsure** the **Mutual Savings Life** Insurance Society in the Liberty Life of New York was ratified on Thursday evening last at a meeting of the members of the society. It was also voted to approve the report of the auditing committee in reference to advances made to promote the society and to approve and ratify the contract for the reimbursement of advances in part out of a bonus received from the Liberty Life. The management of the society under Miles M. Dawson was indorsed by resolution.

The **economic losses caused by** the spread of **sickness** have not received much attention heretofore, but that they are considerable may be inferred from the statement that human lives of the value of $1,500,000,000 and $600,000,000, respectively, are swept out of existence in the United States every year by the ravages of tuberculosis and typhoid. Dr. C. E. Stiles made this statement at a session of the National Commission on Country Life in Boston a few days ago.

Among the subjects to be treated in the **lecture course** of the **Insurance Library Association of** Boston during the coming year are these: "Concrete Construction," by E. T. Carns, of the North British, and "Fire Causes and Costs," by H. A. Fiske, of the Phœnix. Messrs. J. F. Appleton, of the Underwriters' Salvage Company, and William F. Sayward, of the Boston Master Builders' Association, are also to speak on subjects to be announced.

Conditions at **Detroit** are seriously demoralized because of the activity of the **non-board element.** The Germania and other companies are accused of demoralizing the business by writing through agencies employing large numbers of solicitors, many of whom rebate most of their commissions. A number of the companies favor a sharp cut in preferred rates as the best way to correct the conditions, all other efforts having failed.

The **Sun Insurance Office** has announced that it is preparing to celebrate next year its **200 years of business.** The company was organized in London April 7, 1710. The American branch was established in 1882, and now possesses assets in the neighborhood of $4,000,000. United States Manager J. J. Guile, in a letter to agents calling attention to the event, asks for an increased volume of first class business as "commemoration risks."

The courts at Seattle have ordered Fred H. Lysons, receiver for the Pacific Fire of Seattle, a mutual, to **assess** the **policyholders** for $75,000 **to pay outstanding claims.** This represents five annual premiums, for which the members are liable under the Washington laws covering mutuals. The company issued the New York standard form, but the courts held the members liable nevertheless.

The **Western Union** is anxious to have the **analytic system** of rating generally adopted, owing to the numerous points at which the various systems of schedule rate making come in contact. In response to a suggestion from it the Eastern Union will appoint a committee to confer with a similar committee from the Western Union regarding the adoption of the Dean schedule in the East.

Ouster proceedings have been begun by Attorney General West of Oklahoma against the **Fraternal Mystic Circle** of Philadelphia at the request of Insurance Commissioner McComb. The action is the result of the recent examination of the concern by the New York Insurance Department, which showed that the officers had exceeded their powers in many ways.

A handsome **Christmas souvenir** has been issued by the **Metropolitan Life,** containing an excellent engraving of the home office building, with the following appropriate motto: "To thee and thine the Metropolitan's silvery chimes peal forth a joyous holiday greeting." The allusion is to the new bell tower, which is expected to ring the new year in.

The **Cosmopolitan Fire** of New York **will reinsure** its business as of December 31, 1908, in the Royal Exchange. This will leave its capital of $300,000 unimpaired, and also a surplus of $100,000. The future of the company will be decided at a meeting of the directors in January. Leo A. Loeb will return to Chicago to look after his interests there.

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The **Citizens Bank** of Napoleon, which was controlled by Judge Donnelly, president of the **Ohio German,** has made an assignment, with deposits of over $800,000. It is understood that the troubles of the Ohio German, which was closely allied with the Citizens Bank, the latter holding much of its funds, caused a run which forced the assignment.

This paper in a recent issue inadvertently attributed an **article** in *Clic,* the company paper of the **Citizens Life** of Louisville, Ky., written by that company's agency director, Augustus C. Hone, to the Cleveland Life. This should never have happened, as *Clic* is one of the most breezy company papers that comes to the editor's desk.

A practical **present** was made a few days ago by Senator F. L. Maytag, owner of an implement factory at Newton, Ia. He took ten of his best **employees** to Des Moines, had them examined and presented each **with a life insurance policy** for $1,000 in the Penn Mutual Life as a Christmas gift.

The **line** of the Republic Rubber Company at Youngstown, Ohio, amounting to about $750,000, has been **regained by** the **mutuals** from the stock companies which secured it a year ago. The mutuals made a reduction in the basis rate and include a large proportion of the unsprinklered property.

The **St. Paul Fire and Marine** will occupy its handsome new home office building during January. It is only two stories high, the main working room being that height in the centre with a glass roof, surrounded by a gallery. The furnishings will be of metal throughout.

The junior **mutuals** were on the **lumber** of the Wabash Screen Door Company at Memphis, Tenn., on which a **total loss** was sustained recently. Competition is forcing the junior mutuals to write a larger proportion of unsprinklered property on risks held by them.

An error was made in announcing the organization of the **Forest City Life** of Rockford in the statement that it succeeded the Rockford Life. Instead the Rockford Life is still an independent organization, the Forest City Life growing out of the Rockford Insurance Club.

A meeting of the minimum rate committee of the **New York Fire Insurance Exchange** was held on Tuesday to consider an application of the city of Hoboken, N. J., for a reduction in rates. The committee will report its conclusions at the next meeting of the Exchange.

That the United States **Government carries no insurance** on its $10,250,000 buildings in the **Panama Canal Zone** was announced this week. There are 3,338 of these buildings. Precautions against fire are taken by strict building rules and inspection.

The **National Reserve Life** of St. Louis is being organized with $150,000 to write non-participating business. The officers are: President, Victor W. Reitz; vice presidents, P. J. Dauernheim and A. P. Rentz; secretary and general manager, O. F. Utt.

The **Cooper Fire** of Dayton, Ohio, has completed the increase of its capital stock to $200,000, investing the money in gilt edge municipal bonds.

THE WEEKLY UNDERWRITER has received a handsome card from the Sun Life of Canada containing "the **season's** cordial **greetings.**" The Security Mutual Life of Binghamton has also forwarded its "cordial holiday greetings" for the New Year.

Two applications have been made for **receivers** for the **Seminole Securities Company** of Columbia, S. C., a concern which was planning to organize a casualty company and to consolidate several Southern life insurance companies.

A call for the **annual meeting** of the **Philadelphia Life** has been issued by Secretary Hubbard, which will be held on January 13 next in Griffith Hall, Philadelphia. Three directors will be elected at that time for a four year term.

The State of **Oklahoma** has no law against **rebating,** but Insurance Commissioner McComb will issue no license to a company until its president and secretary take oath agreeing to dismiss any agent found guilty of rebating.

The **plant** of the **American Radiator Company** at Detroit has been **sprinklered,** reducing its rate from 90 cents to 16 cents. The Western Factory Insurance Association will write a line of $525,000.

The **Norwich Union Fire** will make application for admission to California, from which it retired after the conflagration. It will re-enter without an earthquake clause in its policies.

The **$100,000 fire** in the **lumber plant** of the George D. Emery Company Monday night adds another to the relentless series which seems to be pursuing Chelsea, Mass., this year.

A **new interinsurance concern** has been organized at Kansas City covering nothing but bank buildings and fixtures. It already has over 600 members.

The **Home of Greensboro,** N. C., has **consolidated** with the Southern Underwriters, the latter company assuming all the liabilities of the former.

The **Great Northern Life** of Wausau, Wis., is being organized to be ready for business by March, 1909. The capital is $200,000.

The New York insurance firm of **Kelly & Fuller** have resigned the New York city agency of the Southern of New Orleans.

The **Empire City Fire** of New York has been licensed in Ohio, and will be represented by F. F. Murphy, of Cincinnati.

The **London Guarantee and Accident** has been empowered to transact the fire insurance business in Great Britain.

The **Phœnix of London** has eliminated the **earthquake clause** from all of its policies written in California.

The **Hartford Fire** is expected to open a Southern department at Atlanta, Ga., in the near future.

The **Connecticut Fire** of Hartford will write **hail insurance** in its Western department territory next year.

The **Queen City Fire** will retire from Louisiana and Mississippi at the end of the year.

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Personal.

AGENCY APPOINTMENTS.

American National Fire of Rock Island, Ill.: Lyman Richie & Co., sole agents for Chicago.

Anchor Fire of Des Moines: C. D. Gustin, special agent for southwestern Iowa.

California Fire: W. J. Reilly, of Evansville, Ind., special agent, on January 1.

Century Fire of Des Moines: B. Wilde, special agent for southern Iowa.

Insurance Company of State of Pennsylvania: Gamwell & Ingraham, Providence, R. I.

New Brunswick and St. Paul Fire and Marine: Spencer & Boss, Providence, R. I.

Union Central Life of Cincinnati: Hitchcock & Leonard, general agents at St. Paul, Minn.

Mr. Clarence G. Meeker, State agent of the Concordia in Illinois and Indiana, died December 20 at his home in Sycamore, Ill., from a stroke of apoplexy. Mr. Meeker was secretary of the Illinois Field Club, president of the Indiana League, and president of the Fire Underwriters' Association of the Northwest. For some time his health has been impaired, but he had kept up his field work, although he had almost lost the use of his voice.

Mr. T. A. Robinson has resigned as Iowa State agent of the Royal, taking effect January 1. Mr. Robinson had been in the field for over twenty-five years with the German of Freeport, and retires to be relieved of travel and to look after his personal business. Mr. C. R. Tyrrell, special agent in western Iowa, will become State agent, with headquarters at Des Moines.

Mr. Edwin C. Kingsbury, actuary for the United States Life Endowment Company of Chicago, has caused the arrest of Isidore P. Mantz, of Pekin, Ill., an independent actuary, on a charge of criminal libel. The charge grows out of an advertisement inserted by Mantz in the want columns of the Chicago *Record-Herald* referring to the company.

Mr. Frank W. Alden, who for many years has been associated with the well known Waterville, Me., local agency of L. T. Boothby & Son Company, has been appointed as special agent of the Home of New York for the Maine field, and will assume his duties in that position about January 1.

Mr. Arthur G. Langham and H. N. Vedder have organized a corporation under the style of Langham & Vedder. Mr. Langham will be president, and Mr. Vedder treasurer. The new concern will do an insurance business, and has an office in the German-American Building in New York city.

Mr. J. L. Bleakey, Auditor-elect of Iowa, has appointed J. U. McKellar as insurance examiner and actuary for another two years, and C. S. Byrkit, of Des Moines, is made chief clerk in the Insurance Department. Mr. George Callarno, of Cedar Falls, is made insurance fee clerk.

Mr. C. H. Curley has been appointed State agent for the Hawkeye, with headquarters at Minneapolis. Heretofore the business for Minnesota and Wisconsin has been transacted through the Gorham-Braden Company's general agency at Minneapolis.

Mr. H. W. Hendricks has resigned as assistant superintendent of the plate glass department of the Casualty Company of America to take charge of the plate glass department that the Ocean Accident and Guarantee plans to open on January 1.

Mr. Frank M. Rice, vice president of the Des Moines Fire, has tendered his resignation, to become effective December 31, and it is intimated that he will manage a new company which will be organized in Des Moines.

Mr. James H. Worden, the veteran secretary of the American of Newark, whose retirement was announced in our last issue, was tendered a testimonial banquet at the Essex Club, Newark, N. J., on Tuesday evening.

Mr. Cabbell Bullock, of Lexington, Ky., who has been actuary of the Insurance Commissioner's office for twenty years, is to retire at the close of the year. His successor will be D. L. Meriwether, of Louisville.

Mr. Julius Meyer will become a general agent in Chicago of the New England Mutual Life of Boston, Messrs. Saltzstein & Meyer, general agents at Milwaukee, having decided to dissolve partnership.

Mr. H. D. Teall, formerly of Chicago, and for several years connected with the Pacific board, has been appointed special agent for the Bertheau Watson Company at San Francisco.

Mr. J. P. McAfee, formerly general agent of the Union Central Life at Toledo, becomes general agent of the Ohio State Life for northeastern Ohio, with headquarters in Cleveland.

Mr. Herbert Buxton, of New York, will have the representation of the E. T. Marshall & Co.'s companies from January 1, covering twenty-one Eastern and Southern States.

Mr. M. Lewin Hewes, agency superintendent of the Scottish Union and National, has resigned to take up independent adjustment work in New York.

Mr. W. H. Lowden, coast manager for the Norwich Union, has had Montana, Colorado, Wyoming and New Mexico added to his department.

Mr. William A. Stone, of Memphis, special agent of the Northern Assurance for Kentucky and Tennessee, has resigned to engage in adjusting work.

Mr. John Shepherd has resigned as Missouri State agent of the Liverpool and London and Globe to go into the cement business in New York city.

Mr. J. W. Day, cashier at San Francisco for the New York Life, has been appointed agency director for the company at Portland, Ore.

Insurance Commissioner Hartigan has been reappointed by the Governor of Minnesota for two years from January 1 next.

Mr. S. G. Moore has been appointed adjuster for the Anchor Fire of Des Moines, succeeding J. G. Gardener.

Casualty and Surety Insurance.

Unusual accidents of the week are as follows: A diver was almost killed while working under water because two helpers who were working the air pumps for him started quarreling and left him to suffocate.

A boy died from nervous shock caused by the prank of companions, who held him under a tree which was being felled, and which he believed would surely fall upon him.

Four skaters were precipitated into the water at Janesville, Wis., by the breaking of the ice, and three were drowned.

A child playing with burning leaves filled her lap with them and was badly burned.

After coming through a bad railroad wreck without being injured, two passengers in alighting from their car fell off a bridge into the water 25 feet below and were badly hurt.

A fireman on an engine which blew up was severely scalded by the escaping steam.

While struggling with a little girl playmate for the possession of a revolver a boy was accidentally shot through the heart.

A pedestrian was run down by a passing automobile and his trousers peeled off by the effect of the blow, but otherwise he was not badly injured.

A man who went to sleep in a railroad car, and who awoke in time to find himself shunted into the railroad yards, was badly hurt in trying to alight from the car, which at that moment had another backed into it.

A boy who tried to save time by climbing over the platforms of some of the cars stalled before a grade crossing fell between the cars and had both feet crushed just below the ankles.

A passerby was fatally injured when two ticket speculators in Philadelphia shot at each other in the street.

A young woman mistook some carbolic acid for her medicine, which she had left standing on a shelf, and it took drastic remedies and a stomach pump to save her life.

A child who snuffed a grain of corn up her nose while at play began to suffer from the effects of the accident, and an operation for its removal showed that the kernel had sprouted inside the nostril.

A baby was killed by the mistake of the nurse, who gave the powders intended for the mother to the child.

Two girls were burned when one of them pulled off the tablecloth and upset a lamp which was standing on the table.

Unable to run when attacked by a savage dog, a cripple had a piece of flesh torn from his leg by the infuriated animal.

Seeking shelter in a lonely shanty, a Pennsylvania man was found five weeks later, frozen to death.

A lad who was playing with fire had his life saved by his companions, who, when they saw his clothes afire, doused him in a nearby creek.

A railroad switchman while attempting to make a coupling of cars caught his foot in a guard rail, and before he could be freed the car bore down on him, terribly crushing his foot and arm.

When his right foot was badly crushed as a result of an unsuccessful attempt to board a moving train a railroad employee deliberately snipped off his mangled toes with a pair of shears.

A stray cat bit a little girl on the lips as she entered the hall of her home.

Fainting in court when arraigned on a charge of disorderly conduct, a young woman in falling struck her head and died shortly after from her injuries.

While drawing water from a creek near his home a man sixty

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years old fell forward on his face and drowned in four inches of water.

Regarding the ten day **suspension** of the **Colorado license** of the **United States Fidelity and Guaranty** of Baltimore, which was chronicled in our last issue, Insurance Commissioner Rittenhouse says in a special report on the subject:

The insurance laws hold a company responsible for the unlawful acts of its officers, and require that in such violations as charged in this case, relating to unpaid bills, unscheduled losses and unlicensed agents, the commissioner shall suspend or revoke the certificate of authority of the company and its agents to do business in this State, and inasmuch as the officers of this company failed to heed the warnings of this department, and of some of those resulting from the three State examinations, it would appear that a long suspension or even a revocation of authority for its violation of the Colorado law were justified. The head officers of this company, however, claim that it has already been severely punished by the publishing of the charges; they also assured the commissioner at the last hearing that such improper practices and violations of law as may have existed were in direct conflict with the instructions of the president, and that an especial effort would be made to remove any cause for complaint in the future. In order to comply with the law, and at the same time to give the officers of this company an opportunity to carry out these assurances without serious loss to the company, and inconvenience to its patrons in this State, a nominal suspension is given.

The suspension became effective at midnight on December 15 and expired at midnight yesterday. On expiration the company can resume business without the issuance of new certificates of authority or licenses.

The United States Treasury Department has issued a new list of **approved sureties on Federal bonds,** revised to December 19. Following is the list: Ætna Indemnity of Hartford, $36,215; American Bonding of Baltimore, $77,221; American Fidelity of Montpelier, $29,539; American Surety of New York, $520,690; Bankers Surety of Cleveland, $59,582; Citizens Trust and Guaranty of Parkersburg, W. Va., $45,720; Commerce Trust of Kansas City, $107,491; Empire State Surety of New York, $272,015; Federal Union Surety of Indianapolis, $35,172; Fidelity and Casualty of New York, $295,310; Fidelity and Deposit of Baltimore, $450,368; Illinois Surety of Chicago, $35,246; Massachusetts Bonding of Boston, $73,794; National Surety of New York, $116,226; Pacific Surety of San Francisco, $39,139; People's Surety of New York, $45,000; Southern Surety of Denison, Tex., $44,605; Title Guaranty and Surety of Scranton, $131,893; United States Fidelity and Guaranty of Baltimore, $183,441; United States Guarantee of New York, $51,495; United Surety of Baltimore, $63,009.

In the New York Supreme Court Justice O'Gorman has handed down a decision holding **unconstitutional Chapter 185** of the New York laws of 1907, which requires all corporations, firms and individuals engaged in the selling of steamship or railroad tickets and receiving deposits of money for transmission abroad, to file a $15,000 bond for the faithful performance of the work. These bonds amount to more than $1,000,000. The decision of the court was that the sixth section of the act, which provides that transatlantic steamship companies or their duly authorized agents need not give such bonds, invalidates the statute. A test suit was brought on one of these bonds against the United Surety of Baltimore, and counsel for the company contended that the act in question was unconstitutional because it was class legislation and that it involved an unjust discrimination in violation of the Fourteenth Amendment of the Constitution. This contention was upheld by Justice O'Gorman.

A consular report gives the following particulars of a contract recently made by the University of Breslau, Germany, with a Frankfort casualty company to **insure** the **students against accident.** All students of mathematics, astronomy, physics, chemistry or pharmacy, botany, zoology, mineralogy and geology must pay a fee of 36 cents each semester and be insured against accident occurring in the line of duty. Firemen and machinists and employees of the clinics are also included, the first two paying $1.10 and the last 71 cents premium. The policy lapses as soon as the holder's connection with the university is severed. The company pays $714 in case of death, $3,570 payable in annuities for total disability, corresponding smaller amounts for partial disability, and 71 cents a day (not exceeding one year) if cured. This insurance is optional with students of the other branches

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A plan of **insurance against industrial accidents,** which would protect both employer and employee, was discussed at a recent meeting of the Merchants' and Manufacturers' Association of Milwaukee. Professor Commons of the University of Wisconsin expressed the opinion that the first step in the establishment of the plan should be in the creation of an insurance commission, to be composed of an actuary, a physician and a lawyer, which should have the settlement of all questions arising in the establishment of the insurance. Next he declared would be the creation of a system by which both employer and employee should contribute a certain sum toward an insurance fund to be used in meeting losses.

The **Iowa Insurance Department** has **barred slot machines** which sell accident insurance policies. An investigation of a machine at the Union Station in Des Moines issuing policies in a Chicago accident company showed that the clock which registers the date on the policy had not been running for several weeks. Under the contract all policies sold in the meantime would be invalid in case of claim. Auditor Carroll claims that under the Iowa laws the issuance of an insurance policy involves a contract between one party and another, and that he cannot consider the slot machine as a party.

Following a recent conference of the highway commissioners of the New England States, the **Massachusetts** Highway Commission has draughted a **law relative to motor vehicles** and the operation thereof, which is to be presented to the Legislature for adoption. It has been aimed to include in the draught the best features of the various laws examined, and to make this a step toward uniformity of automobile laws throughout the country. Casualty insurance companies will welcome the inception of such a movement.

The Secretary of the **Treasury Department,** George B. Cortelyou, has **revoked** the **authority** of the **Metropolitan Surety** of New York to act as surety on bonds running to the United States, and has required that the principals on all bonds executed by the company running directly or indirectly to the United States shall furnish additional security. The principals on bonds written in the Metropolitan Surety will accordingly be required to file new bonds.

The **Continental Casualty** of Chicago has sent the following Christmas motto to its friends on a card with Christmas greeting: "Blessed is the man who has found his work—and then gets busy." We also beg to acknowledge from President Fibel of the Great Eastern Casualty the receipt of a Christmas card with the greetings of the season. The Ocean Accident and Guarantee has also remembered its friends with a neat souvenir of the season's greetings.

The trial of **Albert F. Hoogs,** teller of the Beverly, Mass., savings bank, from which he is accused of having **stolen about**

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$9,000, is to begin in the Salem court next Tuesday. Meanwhile he has been released from durance on $10,000 court bonds, furnished by prominent citizens of Beverly. The bank is protected by a $10,000 fidelity bond issued by the Bankers Surety of Cleveland, Ohio.

The **Midland Casualty Company** of Chicago has applied for a charter under the general casualty laws, and will write all classes of business. The promoters are H. E. Pegram and O. S. Edwards, formerly life insurance agents.

The **Casualty and Surety Social Club** of New York has decided to hold a beefsteak dinner on February 10.

Insurance Legislation.

Complete copies of all important bills in the legislatures affecting insurance are on file in the office of THE WEEKLY UNDERWRITER.

Vermont.

MONTPELIER, December 21.—The valued policy bill, House No. 382, after being reported unfavorably by a unanimous committee, has been ordered to a third reading.

House Bill 603, introduced by the Committee on Insurance, and relating to discrimination by agents of life insurance companies, amends Section 4782 of the present law. It provides the penalty of revocation of license by the Insurance Commissioners and gives them authority to examine persons, administer oaths and to send for papers and records to enforce the provisions of the section against discrimination.

Official Reports.

South Dakota.

Insurance Commissioner Basford has issued a report dealing with prospective legislation. He devotes a great deal of attention to the theory that life insurance companies should be exempt from State taxation and does not agree with the proposition. He holds that if a tax on life insurance companies is a tax on the savings of the policyholders so is any tax on the property of the small property owner a tax on his savings, as most of the savings of the average man of the country is in the shape of his home and few belongings. He asks for further legislation in regard to gross premium taxes provided for by the legislative session at 2½ per cent., and which has been held by Judge Carland of the United States Court to be excessive. He recommends the repeal of the State law requiring insurance companies doing business in the State to publish annual statements in a number of State papers, as the money so expended could be put to a better use, both to the companies and to the public.

He cautions the members in regard to the proposition for changing the State standard policy form, and urges care in the manner of such riders as may be placed in a new standard form in case such should be adopted. It is held that one of the main reasons the companies desire a change in the form is to eliminate the valued policy provision, now a part of such policy.

He recommends the repeal of the law requiring bond companies to deposit securities amounting to $20,000 with the State Treasurer as one of the requirements of doing business in the State, on the ground that such sum is inadequate for any protection to patrons and compels the companies to scatter their securities without any benefit to anyone. He suggests that there should be legislation requiring fraternal beneficiary companies to place themselves in a financial position to better protect their policyholders and to get them upon a sound basis.

Miscellany.

The Tax Imposed by Legislatures on Insurance.

The subject of insurance legislation and the ever present tax situation as it affects life insurance policyholders is dealt with in a clever article in the current issue of *Clic*, the company paper of the Citizens Life of Louisville. The article, which is from the ready pen of Augustus C. Hone, the versatile agency director of the Louisville company, is interesting in spite of the fact that it was written previous to the recent conference on taxation held in New York city under the auspices of the Association of Life Insurance Presidents. Mr. Hone says:

All men—if they are men—take an active interest in local, State and national legislation. This interest is more or less casual except in so far as it affects each man's welfare. The manufacturer feels a passing concern in any tariff legislation, but the minute it touches the tax on articles used or sold in his business his interest at once ceases to be casual—it becomes active, keen, vital, and he is watchful of every point raised and is ready to use all his influence to secure such legislation as may best meet his requirements.

The legislators know very little about many of the subjects they are expected to vote on—how could they? Generally they are very grateful for any reliable information which may help them to form an opinion. A committee of each branch of the legislature is appointed to hold hearings to enable those interested to appear and present arguments. As a rule, interested parties on both sides affected by any subject under consideration are anxious to take advantage of this opportunity, but what happens when insurance legislation comes up? Policyholders take no part in the fight to protect their estates from unjust inroads, but instead they rely wholly on the insurance companies to do everything. This is neither right nor proper. The average legislator looks upon the representatives of the insurance companies as prejudiced witnesses, and he naturally, therefore, is not apt to be much impressed by arguments and facts presented by them. To get results, policyholders' organizations and committees must co-operate with and support the insurance companies in the work done by their representatives.

All life insurance companies are compelled to maintain large assets for the protection of policyholders. Legislators see in these funds very tempting opportunities to raise revenue through taxation without levying a tax on something in which the people show a more active interest and which would cause an uproar. Can you blame a man for voting to place the burden of taxation where it leaves him safe from popular criticism instead of taxing some article of domestic luxury which would bring down a storm upon his head? * * In 1907 over twelve million was collected in taxes from insurance companies, but the total cost of State supervision was less than two million—the remaining ten million was not refunded to you policyholders, but was diverted to other channels and reduced largely the general taxes; that is, the taxes paid by those who do not carry insurance. They get the benefit of your self denial. Why? Because you won't take the trouble to stop it.

Probably less than 10 per cent. of the population carries insurance, yet this small proportion is called upon to pay a very large part of the general taxes, and the amazing part of it all is you submit to this unjust, inadvisable discrimination without protest. No legislator would dare favor such a bill in the face of aroused policyholders. Life insurance is an effort to replace future loss. The widow and orphans pay the taxes, and with compound interest added. Why should you pay twenty times as great a tax on the insurance you stint yourself to carry as your grocer, for example, pays on his business? He would protest if his taxes were increased; you don't—until you do your widow will pay the taxes and not your grocer.

Which does a community more good—insurance or beer? Well, insurance carries many times the greater tax. The saloonkeeper is organized, has leaders, lawyers, money and is ready to fight. Can you reproach the legislators for loading taxes on to the unresisting, easygoing, self satisfied policyholders whenever it is necessary to provide more money for general purposes?

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Would you like to know what taxes are paid in your State and community for the privilege of insuring you and your neighbors? If so, write us. We will be glad to tell you.

When you feel the necessity of providing for your family in case of accident to you and assume the burdens of insurance, you naturally want to be sure of two things. First, that the insurance company to whom you apply for protection is absolutely solvent and certain to meet all policy provisions promptly. Second, that you will get the greatest amount of protection for the least money, consistent with conservative management. The cheapest is not the best or safest, but you want to be certain that, having selected a reliable company, you will get in return the greatest amount of protection without a large percentage being deducted each year for discriminating taxes.

Another feature of this question is the necessity for uniform laws in the various States. Fire insurance companies change the premium rates to meet local conditions in State, county or town. They attach a pink slip, which informs the policyholder that his premium on that policy would have been a certain amount less had it not been necessary to provide for such and such license, fee or tax. In this way, each policyholder knows the direct result of legislation affecting fire insurance companies. Also those people living in localities that refrain from legalizing unjust discrimination get the benefit of the lowest rates.

In life insurance, unfortunately, this is not practicable. A twenty pay life policy costs a man just the same rate of premium in one State as in any other State, if written by the same insurance company, but taxes, fees, etc., are very much more excessive in some States than in others. The net result is that all these taxes, etc., are paid out of a common fund, and all policyholders suffer equally, regardless of the conditions prevailing in their home States. * * When you have got your local and State organizations formed and in working order you must plan to co-operate with organizations in other States, eventually forming organizations of national importance and scope; to represent the policyholders of life insurance companies; to look after and protect their interests; to urge the introduction of bills that would insure greater safety, better methods of operation, more effective supervision, etc., and to push such bills to passage, but the organization must be even more active in resenting and resisting the persistent attacks on your assets and in resisting bills which are introduced by the score, and which, usually through lack of knowledge, would handicap and harm the insurance companies without doing anyone any good.

Massachusetts Savings Bank Life Insurance.

The *Standard* of Boston has been investigating the results of the first half year of the experiment of savings bank life insurance, which was made legal in Massachusetts by Chapter 561 of the acts of 1907, and its conclusions are that the original plan of working without agents has been abandoned, that such results as have been accomplished are largely due to the influence and efforts of employers, that workingmen are not applying for insurance at the savings banks voluntarily, and that two banks only out of 189 have established insurance departments. Three other banks act as agents. The following are extracts from our contemporary's disclosures:

So far, only two banks out of a total of 189—the Whitman Savings Bank of Whitman, Mass., and the People's Savings Bank of Brockton, Mass.—have availed themselves of the power conferred under the act, and established insurance departments. Three others—the Bridgewater Savings Bank of Bridgewater, Mass.; the Ludlow Savings Bank of Ludlow, Mass., and the Ware Savings Bank of Ware, Mass.—are now acting as agents of the Whitman Savings Bank.

ACTUAL RESULTS AT WHITMAN AND BROCKTON.

Through the influence of the shoe manufacturing interests in the town of Whitman the trustees of the Whitman Savings Bank voted on March 16, 1908, to establish an insurance department. The shoe manufacturers provided the $20,000 guaranty fund, and $5,000 expense fund, required under the law, and the bank was licensed on June 18 to issue policies. Policy forms and rates were ready toward the close of the month, but only three policies were issued. In July the bank again issued the same number, the six policies being taken out by business men.

It was not until August 27 that the bank began to receive applications from workingmen, and from that date to December 16, mainly through its agencies, it has written 539 policies, representing approximately $200,000 of insurance in force. The value of the policies issued to date averages a little less than $400. * *

The People's Savings Bank voted to establish an insurance department September 26, 1907, but did not begin actual operations until November 1. From that date to December 16 the bank has issued nineteen policies, mostly to business men, and representing insurance amounting to about $9,500. The officers of the bank state that the small amount of business written is not due to lack of interest on the part of the workingmen, but rather to the fact that the bank has not actively urged the new department upon the public. About the first of next year the bank will move into its new building, when the trustees expect to put the insurance department into more active operation. * *

OPERATION OF THE PLAN IN PRACTICE.

The act permitting savings banks to establish insurance departments prohibits them from employing solicitors of insurance, either in the form of house to house collectors, or otherwise, but provides that the "trustees may, in their discretion, establish such agencies and means for the receipt of applications for insurance and of deposits and of premium and annuity payments, at such convenient places and times, of such nature and upon such terms as the bank commissioner and the insurance commissioner may approve." The bank may thus, under the law, appoint other savings banks, manufacturing companies, labor unions, firms or individuals in any part of the State to act as its agent in the receipt of applications and for the collection of premiums.

It is therefore possible for any bank having the required guaranty fund to appoint as agents any number of other banks, firms or individuals, and where a bank receives such appointment it is not required to provide a guaranty fund. Thus, the Whitman Bank has three other banks acting as agents, the only funds available for the protection of policyholders being the original $25,000 fund put up for the Whitman Bank, the funds of the savings department being under the law held in no wise liable for the protection of losses incurred in the life insurance department. It has been suggested by some of the promoters of the plan that where banks find it difficult to secure the guaranty fund they shall act as agents of banks for which the fund has already been secured.

BUSINESS NOT TRANSACTED OVER THE COUNTER.

It is a peculiar fact, that while the advocates of savings bank insurance were most emphatic in contending that the plan would meet with success as an "over the counter" proposition, this is not the plan which has been followed to date, or is likely to be in the future. Those most interested in the experiment are now as fully convinced that agents are a necessity.

FORMER INDUSTRIAL AGENTS EMPLOYED AS CANVASSERS.

* * The Regal Shoe Company has hired George S. Hutchinson, also a former industrial agent, who is now in charge of its agency work. Mr. Hutchinson has completed his canvass of the company's employees in its factory at Whitman and Milford, and is now working at Bridgewater.

W. I. Gage, another industrial agent, has been employed to do similar work among the employees of the Brockton firms acting as agents for the People's Savings Bank.

In their canvass of the employees of the factories, both Mr. Van Wormer and Mr. Hutchinson were assigned a room and a messenger to carry out the work of solicitation.

In the Commonwealth factory Mr. Van Wormer was given the stock room over the office, and the following request was sent by messenger to each employee in turn:

To.....

I have been requested to interview each employee of the Comm. Shoe and Leather Company. Will you kindly call at the stockroom now. Thanking you for the courtesy. From F. A. Van Wormer.

At the Regal factory Mr. Hutchinson interviewed the employees in the paymaster's office at first, and later had a room nearby assigned for his use.

The following request was used:

Manager Dept.....

By request of the firm it is desired that I interview..... of your department. Kindly ask.....to step into my department for a few minutes.

The request was signed by H. E. Litchfield, paymaster, who, when the employee arrived at his office, introduced him to Mr. Hutchinson.

TALKS WITH POLICYHOLDERS.

Inquiries made of policyholders, selected at random, show that they are not enthusiastic over their insurance; that many believed when they took out their policy they would receive on surrender all of the money they had paid in; that the indirect influence of and facilities given by the employers for solicitation were important factors in securing much of the business written, and that in many cases the business was written only after urgent solicitation. The statements made by the policyholders interviewed are

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in substance as follows, the individual names having been withheld for obvious reasons:

(1) I was called up to the room where the man was selling the insurance three times, and finally took an endowment policy for $500 at age sixty-five. I understood that I could get all of my money back if I wanted to drop the policy at any time, and this was one of the main reasons why I took it out. I have found out since that this is not so, that I can only get a part of the money back, and I have decided to drop it and not have anything more to do with it. Others in the room with me were talked to about this insurance two or three times before they would take it, and I do not think many of us feel any great interest in the scheme anyway.

(2) I was sent for and talked to about the insurance. I have considerable insurance on my life now and did not feel that I wanted any more. After a while I signed a slip, with the understanding that I should have a little time to think it over. When I got home that night I found the doctor there to examine me. I was sore about it, but finally let him examine me, and I have the policy. I don't like the way the business was done in my case. I do not think that many of the help in the factory care much about the insurance one way or the other, and I understand that some of them took out the insurance because they thought it would be best for them to do so, as the firm was back of it.

(3) I took out a policy with the understanding that I would get all my money back if I wanted to drop it. I have found out different since, and have dropped it. They took out two months' premiums from my envelope, and since then I have had letters from the bank telling me my assessment was due. I am not going to have anything more to do with it, and intend to take out a policy in a regular life insurance company, which I guess, will be good enough for me hereafter.

There is a young girl that lives near me here, who has not had much work during the summer and fall. She was asked to take out some of the insurance, and signed a slip, with the understanding that they would not take any pay for the policy till she was ready. When her envelope came down the money for the policy had been taken out. She went to the paymaster and he said the policy had come through in the regular way, and that nothing had been said about waiting till she was ready for it. He gave her back her money, and she has not taken a policy.

(4) I took out a $500 endowment policy, understanding that I could withdraw at any time and get all of my money back. I was told that if I lived to reach age sixty-five I would get back over $700.

(5) After I had been talked to two or three times, I signed a slip for a policy to come due when I was sixty-five years of age. It was an endowment policy I think. When the policy was given to me I showed it to a friend and told him about it. He read it over and said it was to come due at age seventy-five. I took it back and was told that I could have it changed to sixty-five without increasing my monthly payments. When I got the second policy it was sixty-five years all right, but the amount was much smaller. I refused to keep it. I had two monthly premiums taken out of my wages, and I am going to make them a present of the money, and let it go at that. I don't want any of the insurance.

(6) I took out a $500 endowment, with the understanding that I would receive upward of $700 if I was alive at age sixty-five, and that I could get all of my money back if I wanted to drop the policy. I have found out since that this is not so, but I think so long as I have paid something on it, I will keep it for a while till it has some value and then I will drop it. I believe that most of those who took out policies believed as I did about receiving their money back.

LIST OF ACTIVE AGENTS.

The following is a partial list of the agents now actively soliciting business in behalf of the Whitman Bank:

American Hide and Leather Company of Lowell; Boston Bookbinding Company of Cambridge; Carter, Rice & Co., Corp.; the China Hall Company, Conrad & Co., William Filene's Sons Company, Laboratory Kitchen, Rand Avery Supply Company, Henry Siegel Company (banking department), F. Vorenberg Company, of Boston; Phelps Publishing Company, Springfield; W. H. McElwain Company, Bridgewater; Commonwealth Shoe and Leather Company, Whitman; Regal Shoe Company, Whitman.

The People's Savings Bank of Brockton has appointed the following agents:

C. A. Eaton Company, Churchill & Alden Company, E. E. Taylor & Co., George E. Keith Company, George G. Snow Company, George W. Alden & Co., James Edgar & Co., M. A. Packard & Co., Whitman & Keith Company, W. L. Douglas Shoe Company, of Brockton; George E. Keith Company, of Middleboro. The various stores of the Douglas Company are also agents of the bank.

SAVINGS BANK OFFICIALS GENERALLY OPPOSED TO PLAN.

Massachusetts savings bank officials generally are opposed to the experiment. Some of their objections are embodied in the following abstract from an article contributed to the current number of the *American Law Review*, by Alfred L. Aiken, president of the Worcester County Institution for Savings, one of the leading savings banks in the State:

"Time alone will demonstrate whether over the counter insurance, so undertaken, can succeed, but the question of the moral right of savings bank trustees to undertake such an entirely extraneous venture, and the wisdom of the Commonwealth becoming a contributor to such a plan, are both worthy of serious consideration and open to serious doubt.

"The reason that the savings banks of Massachusetts hold the high positions that they do in the minds of the people of the State and country is because of the absolute confidence, bred of experience, in the conservatism, honesty and success of the management. Depositors have placed their money in the banks, believing that by so doing they establish the relation of beneficiary and trustee between themselves and the banks' directors and officers, the sole purpose of the trust being the careful investment of the depositors' funds, that the interest and profit arising therefrom may accrue to the benefit of the depositors and no one else. The very foundation of this relation is the confidence of the depositor in the bank. As a matter of fact the insurer pins his faith to the reputation of the old savings bank, and never mind how plainly the fact is stated in the policy that none of the five or ten or twenty millions of dollars of assets are available for the satisfaction of his contract, and that only a special guaranty fund that shall not be less than $25,000 is available for him, he cannot separate his faith in his policy from his faith in the bank as a whole. Have the trustees of a savings bank any moral right to jeopardize that confidence and good will by the undertaking of an entirely extraneous business and to risk backing it with the bank's name and prestige, from which not one cent of direct profit can accrue to the depositor as such?

"The answer that the danger is small is not satisfying, for it is not true. There is a popular impression which has been bravely supported by the enthusiastic adherents of the law under discussion that the life insurance business is of necessity an immensely profitable one. There was never a greater mistake than this. An investigation of the facts is worth while in this connection. According to the Insurance Year Book of 1908, a standard publication and statistical authority, 389 so-called old line life insurance companies have been started in the United States. Of this number, 222 have either retired from business outright or been obliged to reinsure their risks in other companies; 12 were, on January 1, 1908, in the hands of receivers, so that approximately 60 per cent. of the insurance companies organized have gone out of business in some way, leaving but 155, or less than 40 per cent., still doing business. No better evidence can be presented to show the risk involved in such an undertaking.

"As further evidence of the risk as a real one the law makes specific provision for receiverships for the insurance departments of the savings insurance banks. Certainly the sight of a receiver, winding up the insurance department of a bank at one end of a counter while the very officers, who through their mismanagement brought about this condition, are still busily engaged in managing the savings department at the other end, would be a severe shock to the faith of the most devoted adherent of the savings department. As a matter of fact, anyone at all familiar with the savings bank depositors as a class knows that the injury to the good will of the bank would be incalculable; and this good will is one of its most valuable assets, though an intangible one—an asset that in some cases is the growth of almost a century. Certainly no trustees have the right to risk sacrificing this for the sake of an undertaking, acknowledged to be an experiment, and from which the depositors for whom they act can gain nothing."

Insurance Commissioner Elmer E. Rittenhouse of Colorado Elected President of the Provident Savings Life Assurance Society.

At a special meeting of the directors of the Provident Savings Life of New York held on Monday, Elmer E. Rittenhouse, the Insurance Commissioner of Colorado, who retires on January 1, was elected to succeed Arthur G. Langham, of Louisville, as president. Mr. Langham will continue as vice president of the Provident Savings till the annual meeting in April, and Mr. Rittenhouse will assume his new duties on January 1. The new president was also elected a director, succeeding George C. Clark. Other directors elected were Judge Nash Rockwood, of Saratoga Springs, to succeed John E. Grady, of Philadelphia, who was president during the Coyle régime, and Charles C. Lockwood, of New York city, associate counsel of the society, who was chosen to succeed Col. John W. Vrooman. Announcement was also made that a change in the ownership of the company's stock had been made, the controlling interest now being held by Judge Nash Rockwood, of Saratoga Springs, N. Y. The following notice to policyholders has been issued by Judge Rockwood:

"My investment in the stock of the Provident Savings Life Assurance Society is a permanent one. The control is not for sale at any price. The society will not be removed from New York. The income of the society at the present time from premiums, interest and rents is over $3,200,000 per annum. The assets have increased to nearly $10,000,000. We regard these assets as a sacred trust, and they will be managed and conserved accordingly. It is the intention, as early as possible, to put into effect a plan that will give the policyholders representation upon the board of directors. It is upon these conditions that the presidency and man-

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agement of the society has been accepted by Hon. E. E. Rittenhouse, Commissioner of Insurance of Colorado, to take effect January 1, 1909.

"Mr. Rittenhouse, in his official capacity, over a year ago, made a thorough examination, and through his initiative the society was set fairly on the road to prosperity. Mr. Rittenhouse enjoys a national reputation as an able and successful official, and possesses qualifications that especially fit him for the duties of president and manager. Owing to his vigorous and successful efforts as Commissioner of Insurance to protect the interests of the policyholders of the Provident Savings Life Assurance Society, his election as president and manager will, we believe, meet with their hearty approval and prove that the directors wish the policyholders' rights to be fully recognized and guarded.

"Knowing that the assets were good and that they should increase under careful management, the insurance departments of New York and Colorado, after their examination a year ago, urged the policyholders to maintain their policies as being the course which would best preserve their own interests, and the results since achieved have fully justified that recommendation. The economies already effected will be supplemented by others, and with the hearty co-operation of the policyholders the marked improvement which has recently been shown will surely be continued and increased."

It was Insurance Commissioner Rittenhouse who first called attention on January 18 of this year to the fact that the society's capital was impaired, on a 3½ per cent. basis, about $400,000, and who was active later in preventing the purchase of the company by interests behind the Inter-Southern Life of Louisville. Previous to this, about a year and a half ago, E. R. Thomas and Orlando F. Thomas acquired control of the Provident Savings from Timothy L. Woodruff, who was then president. The Thomases sold out to a Philadelphia syndicate headed by John J. Coyle, which in turn sold to the Louisville interests represented by Arthur G. Langham.

The new president was born in New York city in 1861, and after finishing school became an operator for the Western Union Telegraph Company. Later he entered railroad work. After spending some time in Mexico and Cuba he became at twenty-one years of age a newspaper man in Colorado. In 1898 he was in China and Korea, in which latter country he was engaged in work on the railroad built by the Japanese between Chemulpo and Seoul During that time he was also correspondent for the Paris edition of the New York *Herald* and for other papers. Returning to Colorado, he became editor of the Colorado Springs *Telegraph*, and in 1904 went through the mining strike as a correspondent. He returned later to Denver to inaugurate a campaign of publicity against the Western Federation of Miners. He bebecame Insurance Commissioner of Colorado in 1905.

Mr. Rittenhouse has been quite active in Republican politics in Colorado, and was for several years in charge of the press bureau of the Colorado Republican State Committee. It was his activity in this capacity which brought him forward conspicuously for appointment as Insurance Commissioner when the insurance department of Colorado was reorganized about two years ago Before that time he was deputy superintendent of the department. The failure of the Republicans to carry Colorado this year made it a foregone conclusion that Mr. Rittenhouse would not have another term.

At the present time Mr. Rittenhouse is chairman of the executive committee of the National Convention of Insurance Commissioners, and is also chairman of the special committee on fidelity and surety business, which recently held hearings in New York and Chicago.

Northern Assurance Company,
OF LONDON, ENGLAND.
EASTERN AND SOUTHERN DEPARTMENTS,
38 PINE STREET, NEW YORK.
GEORGE W. BABB, Jr., Manager. T. A. RALSTON, Sub-Manager.

WANTED
BY
The Manhattan Life
Insurance Co.
Live, energetic men for some excellent territory. Exclusive and liberal contracts will be made with the proper parties.
The Armstrong Committee found no questionable methods in The Manhattan Life Insurance Company.
Address
W. B. LANE, Vice-Pres.
66 BROADWAY, NEW YORK

INCORPORATED 1884. CASH CAPITAL $500,000.00
CLAIMS PAID NEARLY $10,000,000.00 THE SURPLUS to Policy Holders OVER $1,100,000.00
STANDARD
LIFE AND
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DETROIT, COMPANY MICHIGAN.
ALL FORMS OF ACCIDENT, SICKNESS, INDUSTRIAL AND LIABILITY INSURANCE.
O. M. FERRY, Pres. E. A. LEONARD, Sec.
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—getting names on the dotted line, or in other words making real money in sizable amounts. It isn't impossible to *do things*. It isn't lucky chance or a pull that helps a man win. WORKING with the RIGHT COMPANY—that's all there is to it. For instance, a company that sells policies that the *people want* and will buy—that they cannot afford to do without. *Working* with a company that *works with you*—that actually does things to help you. One that will give you a "square deal." When you get to the point where you want to connect with a live company—not too large to appreciate meritorious effort nor too small to be out of the race, write to the SECURITY MUTUAL LIFE. If you are now investigating companies with a view to connecting with one which will help you most in a practical way, write to
C. H. JACKSON, Sup't of Agencies, Binghamton, N. Y.

INCORPORATED 1851.
Berkshire Life Insurance Company
OF PITTSFIELD, MASS.
All Policies issued by the Company are subject to the Massachusetts Non-Forfeiture Law.
JAMES W. HULL, Pres. J. M. LEE, Actuary.
THEO. L. ALLEN, Sec. ROBT. H. DAVENPORT, Asst. Sec.
Agencies in all the principal cities of the United States.

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THE

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Life Insurance Company of Cincinnati

ESTABLISHED 1867

Has the following unrivaled points of superiority which make its policies easier to sell than those of any other company: Highest rate of interest earned, low death rate, low expense rate—resulting in lowest cost to policyholders. Its new 1908 policies are simple in verbiage and most liberal in provisions. THE UNION CENTRAL has no investments in stocks or bonds.

JESSE R. CLARK, President — E. P. MARSHALL, Vice-President

That New Policy

AND THOSE NEW RATES AND VALUES

turn prospectives into policyholders. Highly liberal policy and values, extremely low premium rates, notable annual dividend record.

MASSACHUSETTS MUTUAL LIFE INSURANCE CO.

SPRINGFIELD, MASS.

INCORPORATED 1851

F. W. SMALLMAN, Manager of Agents for New York City, 1401 Empire Building.

All the Agents of the Company appreciate it. You will too.

The NEW Monthly Income Policy of

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The Newest Thing in Life Insurance!

We want Agents.
We want Managers.
We want YOU!

THE PRUDENTIAL INSURANCE COMPANY OF AMERICA

Incorporated as a Stock Company by the State of New Jersey.

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National Life Insurance Co.

MONTPELIER, VERMONT.

Established in 1850. — Operating in 36 States.

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JAMES B. ESTEE, 2d Vice-President.
OSMAN D. CLARK, Secretary.
H. M. CUTLER, Treasurer.
A. B. BISBEE, Medical Director.
C. E. MOULTON, Actuary.
F. A. HOWLAND, Counsel.

This Company held January 1, 1908, and gained during the past decade:

ASSETS	$40,354,241.29	Gain, 172 per cent
SURPLUS	4,539,688.47	Gain, 149 per cent.
INSURANCE	153,467,472.00	Gain, 100 per cent.

Its life, term and endowment contracts are liberal and attractive.

J. F. MAKLEY, Gen. Mgr., 149 Broadway, New York, N. Y.
J. V. ALEXANDER, Gen. Mgr., 1134-36 Granite Bldg., Rochester, N. Y.
M. H. MULLENNEAUX, Manager, 119 State St., Albany, N. Y.
A. H. GSELLER, Manager, 9 Clinton St., Newark, N. J.

FIRE ASSOCIATION

1817 OF PHILADELPHIA 1908

Total Assets,	$7,840,675.19
Capital Stock,	750,000.00
Net Surplus,	1,804,021.58

E. C. IRVIN, President.
T. H. CONDERMAN, Vice-President.

New York City Department
KELLY & FULLER, Agents
92 William Street, New York City

Boston Department
JOHN C. PAIGE & CO., Agents
65 Kilby Street, Boston, Mass.

London Assurance Corporation,

CHARTERED A. D. 1720.

Surplus in United States January 1, 1907, $650,599.91.

CHAS. LYMAN CASE, Manager.

84 William Street. — NEW YORK.

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HAS FURNISHED
PERFECT PROTECTION AT PROPER RATES
For 60 Years
Our agents are representative citizens of their respective communities.

Provident Life and Trust Co.
OF PHILADELPHIA.

The new policies of the Provident are unsurpassed for conciseness and simplicity of form and for adaptability and liberality in all essentials.

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54 PINE STREET, NEW YORK
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171 LA SALLE ST., CHICAGO
PACIFIC DEPARTMENT:
N. E. Cor. Sansome and Sacramento Sts.
SAN FRANCISCO, CAL.

The Agricultural Insurance Company of Watertown, N. Y.
ESTABLISHED 1853.

Assets, January 1, 1908	$2,717,477.10
Total Liabilities, except Capital	1,705,859.80
Joint Stock Capital	500,000.00

HANOVER
Fire Insurance Company
OF NEW YORK.
Agencies in all the Principal Places in the United States.

Organized 1871
Life Insurance Company of Virginia
HOME OFFICE, RICHMOND, VIRGINIA
J. G. WALKER, President.
T. WM. PEMBERTON, 1st Vice-Pres. W. L. T. ROGERSON, Secretary.
The PIONEER Southern Industrial Life Insurance Company.
The OLDEST Southern Life Insurance Company.
The LARGEST Southern Life Insurance Company.
The most approved forms of Life, Endowment and Industrial Policies issued on favorable terms.

Assets	OVER $4,000,000.00
Insurance in force	OVER $61,000,000.00
Total payments to policyholders since organization	OVER $8,500,000.00

ONLY THE MAN
with a Columbian National License may sell
Massachusetts Non-participating Life,
Massachusetts Accident, Health and Disability
Liberal Policies backed by a Large Surplus
We want high grade men—General Agents, City Managers and District Managers. Save time by writing fully.
THE COLUMBIAN NATIONAL LIFE INSURANCE CO.
Home Office: 180 Federal St., Boston, Mass.

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HARTFORD LIFE
Insurance Company of Connecticut
GEO. E. KEENEY, President.
ALL THAT IS BEST IN LIFE CONTRACTS
EITHER TO BUY OR SELL
$30,000,000 Paid Policyholders and their Beneficiaries.

Accident INSURANCE Health
CONTINENTAL CASUALTY COMPANY
CHICAGO, ILLINOIS
The Largest Company in America Writing Accident and Health Insurance only
More and better forms of accident and health policies, issued separately or in combination, than are sold by any other company, including the latest popular winner
ANNUITY ACCIDENT INSURANCE
If not now representing an accident company, address:
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1208 Michigan Avenue, CHICAGO, ILL.

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THE Fidelity and Casualty Company,

97-103 CEDAR STREET, NEW YORK CITY.

Assets, $7,537,429.91.

Capital and Surplus, $2,013,400.24.

Losses Paid to January 1, 1908, $26,629,131.90.

This Company grants Insurances as follows:

Bonds of Suretyship for persons in positions of trust
Fidelity Bonds, Burglary, Plate Glass,
Steam Boiler, Flywheel, Employers',
Public, Teams, Workmen's Collective,
Elevator and General Liability;
Personal Accident, Health
Physicians' Liability and
Bonded Attorneys' List.

OFFICERS:

George F. Seward, President.
Robert J. Hillas, Vice-President and Secretary.
Henry Crossley, Assistant Secretary.
Frank E. Law, Second Assistant Secretary.
George W. Allen, Third Assistant Secretary

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[of Liverpool, England.]

of New York

SUPERIOR POLICIES

KIMBALL C. ATWOOD, President,
290-292 Broadway, New York.

PHENIX INSURANCE COMPANY

OF BROOKLYN, N. Y.

NEW YORK OFFICE:

68 WILLIAM STREET.

OUR Course of Insurance Education Department for Furnishing Prospects, New "Model Policy," Will Plough the Field and Assure the Harvest for Good Agents.

Phœnix Mutual Life Ins. Co.

Write Home Office. HARTFORD, CONN.

Western Assurance Company

Head Office: TORONTO, CANADA.
INCORPORATED 1851.

Hon. GEO. A. COX, President.
W. R. BROCK, Vice President.
W. B. MEIKLE, General Manager.

United States Statement, January, 1908.

Assets	$3,313,223.21
Surplus in United States	584,136.52

Head Office for the United States:

57 and 59

William Street,

NEW YORK.

A. G. McIlwaine, Jr., Manager.

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Mutual Life Policies

ARE EASIEST TO SELL

BECAUSE

Yearly dividends have been increased for the last three years, 1906-7-8, at a rate equaled by no other company.
Cash values guaranteed in the new life and endowment policies are equaled by few companies.
Attractive features have been added to standard policy forms.
Liberal terms offered producing agents under the 1908 contracts.

For information, address

GEORGE T. DEXTER
Second Vice-President
The Mutual Life Ins. Co. of New York
34 Nassau Street, New York, N. Y.

1860 48TH YEAR 1908

HOME LIFE INSURANCE COMPANY

OF NEW YORK

GEORGE E. IDE, President

ASSETS, $20,004,853.63. LIABILITIES, $19,235,418.20.
(Including Dividend-Endowment Fund)

Dividend-Endowment Fund (Deferred Dividends)	$1,795,020.00
Net Surplus	769,435.43
Insurance in Force	86,193,296.87

The forty-eighth annual report shows a gain in the amount of insurance in force; that assets were increased nearly $1,000,000, and that over $300,000 was paid to policyholders in dividends.

The Connecticut Mutual Life Insurance Company

Stands alone among the American companies of any note, in having repaid to its members, their beneficiaries and estates, in annuities, endowments, death claims, surrender values and dividends, more than it has received from them in premiums. These are the totals:

Received since organization—1846	$249,356,745.45
Repaid as above noted	253,641,382.54
Excess over amount received	4,284,637.09
Assets December 31, 1907	65,003,271.10
Surplus December 31, 1907	2,326,657.25
Insurance in force December 31, 1907	174,716,005.00

President, JOHN M. TAYLOR.

1825. THE 1908.

Pennsylvania Fire Insurance Co.

OF PHILADELPHIA.

Cash Capital	$750,000.00
Reinsurance and all Liabilities	4,096,888.14
Surplus	1,615,288.97
Total January 1, 1908	$6,462,117.11

R. DALE BENSON, Pres. W. GARDNER CROWELL, Sec.
JOHN L. THOMSON, Vice-Pres. HAMPTON L. WARNER, Asst. Sec.
WM. J. DAWSON, Sec. Agency Dept.

Commercial Union Assurance Co.

LIMITED,
OF LONDON.

OFFICE:
Cor. Pine & William Sts., New York

[FIRE]

German American Insurance Company New York

STATEMENT JANUARY 1, 1908

CAPITAL
$1,500,000
RESERVED FOR ALL OTHER LIABILITIES
7,592,685
NET SURPLUS
4,415,353
ASSETS
13,508,038

FIREMEN'S

Insurance Company of Newark, N. J.

ORGANIZED 1855

CAPITAL,	$1,000,000.00
ASSETS,	4,701,068.80
SURPLUS TO POLICYHOLDERS,	3,148,371.45

DANIEL H. DUNHAM, President CHARLES COLYER, Vice-President
A. H. HASSINGER, Secretary

WHITON & MERGES, Agents, . . 73 William Street, New York
LEWIS & FREAR, Agents, . . . 145 Montague Street, Brooklyn
H. W. BEALS, Suburban Agent, . 76 William Street, New York

Insurance Co. of North America,

232 WALNUT STREET, PHILADELPHIA.
FOUNDED 1792.

Assets, January 1, 1907		$10,748,864
LIABILITIES—Reserved for Reinsurance and all other claims	$6,705,870	
Capital Stock	3,000,000	
Surplus over all Liabilities	1,042,994	$10,748,864

Agents in all the principal towns and cities.

CHARLES PLATT, President.
EUGENE L. ELLISON, Vice-President. BENJAMIN RUSH, Second Vice-President.
GREVILLE E. FRYER, Secretary and Treasurer. T. HOUARD WRIGHT, Assistant Secretary.
HENRY W. FARNUM, Marine Secretary. JOHN O. PLATT, Assistant Secretary.
Offices in New York: Fire, 51 William St.; Marine, 63 Wall St.

NOTICE

Insurance Losses and Claims for Damages amicably and satisfactorily Adjusted. Otherwise resisted, defended at Law or in Equity for Companies by

T. F. HANLON

ADJUSTER AND ATTORNEY

BALTIMORE, MD. CALVERT BLDG. WASHINGTON, D. C. COLORADO BLDG.
(Address Washington. 'Phone: Main 7132).
Twenty-five years' experience Member Bar U. S. Supreme Court.
GO ANYWHERE. OPERATE ANYWHERE.

Established 1782.

Phoenix Assurance Company, Ltd.,

OF LONDON.

FIRE INSURANCE ONLY. LOSSES PAID, OVER $135,000,000.
Head Office for the United States, 47 Cedar St., N. Y.
A. D. IRVING, Manager LOUIS P. BAYARD, Asst. Manager
A. D. IRVING, JR., Sec.

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